

Mr. JOHNSTON of South Carolina. En bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are rejected en bloc.

The question is on the third reading and passage of the bill.

The bill was read the third time and passed.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1053, H. R. 4744. I wish it to be understood that it is not proposed to have this measure debated today; it is merely to be made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4744) to amend the Railroad Retirement Act of 1937, as amended, and the Railroad Unemployment Insurance Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT TO 11 A. M. TOMORROW

Mr. CLEMENTS. Mr. President, I ask unanimous consent that when the Senate completes its work today, it stand adjourned until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM FOR TOMORROW

Mr. CLEMENTS. On tomorrow, it is proposed to have the Senate consider the treaty with Panama, which is on the Executive Calendar.

Besides H. R. 4744, relating to the amendment of the Railroad Retirement Act, which has been made the unfinished business, it is proposed to have the Senate consider the following bills:

Calendar No. 1085, S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, and for other purposes.

Calendar No. 1152, S. 2630, to facilitate the establishment of local self-government at the communities of Oak Ridge, Tenn., and Richland, Wash., and to provide for the disposal of federally owned properties of such communities.

These bills will be taken up tomorrow, following the call of the calendar of bills not objected to.

Mr. KNOWLAND. May I inquire of the distinguished acting majority leader if he has determined whether the nomination which was reported adversely will be considered tomorrow or on Friday?

Mr. CLEMENTS. If time permits tomorrow, I should like to have the nomination considered, and shall so move.

Mr. KNOWLAND. I thank the Senator.

Mr. CLEMENTS. Mr. President, I wish to announce that tomorrow, following the morning hour, the first order of business will be the consideration of H. R. 4774, the railroad-retirement bill, which will be followed by the call of the calendar to bills to which there is no objection.

The PRESIDING OFFICER. The request of the Senator from Kentucky requires a modification of the existing unanimous-consent agreement.

Mr. CLEMENTS. That is correct. I now ask unanimous consent that the modification be made.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is so modified.

Mr. CLEMENTS. I wish to announce also that if time is available tomorrow, the measures which are not considered to be calendar business, and which do not pass on the call of the calendar, will be subject to consideration by the Senate, if they can be properly programed under the normal procedure.

ADJOURNMENT TO 11 A. M. TOMORROW

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. CLEMENTS. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand adjourned until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 54 minutes p. m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, July 28, 1955, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 27, 1955:

DEPARTMENT OF STATE

Francis O. Wilcox, of Iowa, to be an Assistant Secretary of State.

INTERNATIONAL DEVELOPMENT ADVISORY BOARD

Eric A. Johnston, of Washington, to be Chairman of the International Development Advisory Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 27, 1955:

DIPLOMATIC SERVICE

Julian F. Harrington, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

Charles W. Yost, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Laos.

MINT OF THE UNITED STATES AT SAN FRANCISCO, CALIF.

Arthur C. Carmichael, of California, to be Superintendent of the Mint of the United States at San Francisco, Calif.

TAX COURT OF THE UNITED STATES

Craig S. Atkins, of Maryland, to be judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1950.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 27, 1955:

POSTMASTER

John P. Ivers to be postmaster at Oceanlake, in the State of Oregon.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 27, 1955

The House met at 12 o'clock noon.

Rev. W. E. Howard, First Baptist Church, Victoria, Tex., offered the following prayer:

Our Father which art in Heaven, hallowed be Thy name. Thy Kingdom come. Thy will be done on earth, as it is in Heaven.

We thank Thee that we have assurance today that our prayers are heard. We know that it is because of Thy Son and His atoning work.

Our hearts are filled with gratitude for Thy providence that has overshadowed our Nation through the years. We praise Thy name, O Lord, for the heritage that is ours, for those who have worked, suffered, and sacrificed to preserve our liberties. We ask Thy blessings to continue upon us according to Thy loving kindness and tender mercies.

We pray for his honor, the President of our United States. Sustain and guide him.

Continue Thy blessings upon the chairman of this assembly. Grant unto him Thy grace.

Bless this assembly. Give each one courage, conviction, and vision that will be pleasing in Thy sight. As they serve Thee and Thy people, grant to them peace and joy that comes because of your purpose and presence with us. Let Thy pleasure shine upon the people they represent.

Forgive our sins, we pray in the name of Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7301. An act to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 7278. An act making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. STENNIS, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, Mr. KNOWLAND, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) entitled "An act to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress."

JOHN THOMAS GOJACK

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 315, 84th Congress, he did, on today, July 27, 1955, certify to the United States attorney, District of Columbia, the refusal of John Thomas Gojack to answer questions before the Committee on Un-American Activities.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 112 (N) (8) OF THE INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means I ask unanimous consent for the immediate consideration of the bill (H. R. 257) to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces, which was favorably reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

Mr. JENKINS. Mr. Speaker, reserving the right to object, and I am not going to object, I want to take this time to make a short statement. The Ways and Means Committee has recommended unanimously several bills that the distinguished gentleman from Tennessee will

present for consideration. Naturally he will not have time to discuss or to explain them; neither will I, but may I say that all of them have been thoroughly considered by the Committee on Ways and Means and this committee has unanimously agreed to and recommended the passage of all these bills to the House of Representatives.

With that, Mr. Speaker, I shall ask that I may be permitted to extend my remarks at the conclusion of the consideration of each of these bills as they are taken up.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I want to congratulate the chairman of the Committee on Ways and Means and all of the members of that committee for the profound consideration they have given various bills introduced by the Members. I want the chairman and the members of the Committee on Ways and Means to know that the membership appreciates this very much.

Mr. JENKINS. On behalf of myself and all the members of the Ways and Means Committee, I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 112 (n) (8) of the Internal Revenue Code of 1939 (relating to the suspension of certain periods of limitation while the taxpayer is on extended active duty with the Armed Forces) is hereby amended by striking out "and before January 1, 1954, except that any such period" and inserting in lieu thereof the following: "and during an induction period (as defined in section 112 (c) (5) of the Internal Revenue Code of 1954), except that any such period of time."

SEC. 2. The amendment made by this act shall take effect as of December 31, 1953.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record, and I also ask unanimous consent that following the consideration of each bill I may be permitted to extend my remarks in the Record at that point giving a brief explanation of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, under existing law recognition of capital gains resulting from the sale of a taxpayer's principal residence is postponed if the proceeds are used to acquire a new residence within 1 year of the date of the sale or if a new residence is constructed within 18 months of such sale. However, with respect to members of the Armed Forces of the United States who are on extended active duty after the date of such a sale, existing law provides that the time limitations just mentioned will not apply if the taxpayer purchases

or constructs a new residence within 4 years from the date of selling his old residence. But the tax treatment is restricted to sales of residences occurring after December 31, 1953, by the 1954 code, while the 1939 code, which applies to cases where the sale of such residences occurred prior to January 1, 1954, imposes a January 1, 1954, cutoff date. The resulting hiatus operates to deny the privilege of postponing the running of the replacement period beyond December 31, 1953, for those who, while on extended active duty, sold their residences prior to January 1, 1954.

H. R. 257 removes the resulting discrimination against those who sold their residences prior to January 1, 1954, by amending the 1939 Internal Revenue Code to conform with the changes made in the 1954 code.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 257 amends section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces. The purpose of the bill is to remove an unintentional discrimination against those in the Armed Forces of the United States who have sold or exchanged their residences prior to January 1, 1954. The bill was reported unanimously. It was introduced by the distinguished gentleman from Wisconsin [Mr. BYRNES], who is to be congratulated for bringing this matter to the attention of our committee.

USE OF CORPORATION PROPERTY BY SHAREHOLDER

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2553) to amend section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder), is hereby amended as follows:

"Section 502 (f) of the Internal Revenue Code of 1939 (relating to use of corporation property by a shareholder) shall not apply with respect to rents received during taxable years ending after December 31, 1945, and before January 1, 1954, if such rents were received for the use by the lessee, in the operation of a bona fide commercial, industrial, or mining enterprise, of property of the taxpayer."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 223 of the Revenue Act of 1950 (relating to use of corporation property by a shareholder) is hereby amended by striking out 'January 1, 1950' and inserting in lieu thereof 'January 1, 1954'."

"Sec. 2. No interest shall be allowed or paid on any overpayment resulting from the amendment made by the first section of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 2553 qualifies the application of section 502 (f) of the Internal Revenue Code of 1939 to provide that personal holding company income is not to include rents received during taxable years ended after December 31, 1945, and before January 1, 1954, if the rents are paid for the use of property of a corporation which is used in the operation of a bona fide commercial, industrial or mining enterprise. The steps taken by this bill are necessary to relieve the anomalous situation existing under present law whereby the rental of property by a corporation to its principal stockholders in these cases is simple income, with respect to the years 1946 through 1949 and for 1954 and subsequent years, but is classified as personal holding company income subject to the penalty surtax of 75 or 85 percent for the years 1950 through 1953.

The Committee on Ways and Means voted unanimously to remove this anomaly and reported H. R. 2553 unanimously. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 2553 amends section 502 (f) of the Internal Revenue Code of 1939, as amended by section 223 of the Revenue Act of 1950, relating to the use of corporation property by a shareholder. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING SECTION 3401 OF THE INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4394) to amend section 3401 of the Internal Revenue Code of 1954, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 3401 of the Internal Revenue Code of 1954 is amended to read as follows:

"Sec. 3401. Definitions.

"(a) Wages: For purposes of this chapter, the term 'wages' means all remuneration

(other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"(1) for active service as a member of the Armed Forces of the United States performed in a month for which such member is entitled to the benefits of section 112; or

"(2) for agricultural labor (as defined in sec. 3121 (g)); or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority; or

"(4) for service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is \$50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

"(A) on each of some 24 days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business; or

"(B) such individual was regularly employed (as determined under subparagraph (A)) by such employer in the performance of such service during the preceding calendar quarter; or

"(5) for services by a citizen or resident of the United States for a foreign government or an international organization; or

"(6) for services performed by a nonresident alien individual, other than—

"(A) a resident of a contiguous country who enters and leaves the United States at frequent intervals; or

"(B) a resident of Puerto Rico if such services are performed as an employee of the United States or any agency thereof; or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Secretary or his delegate; or

"(8) (A) for services for an employer (other than the United States or any agency thereof)—

"(i) performed by a citizen of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 911; or

"(ii) performed in a foreign country or in a possession of the United States by such a citizen if, at the time of the payment of such remuneration, the employer is required by the law of such foreign country or possession of the United States to withhold income tax upon such remuneration; or

"(B) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within a possession of the United States (other than Puerto Rico), if it is reasonable to believe that at least 80 percent of the remuneration to be paid to the employee by such employer during the calendar year will be for such services; or

"(C) for services for an employer (other than the United States or any agency thereof) performed by a citizen of the United States within Puerto Rico, if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of Puerto Rico; or

"(9) for services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

"(10) (A) for services performed by an individual under the age of 18 in the delivery or distribution of newspapers or shopping

news, not including delivery or distribution to any point for subsequent delivery or distribution; or

"(B) for services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back; or

"(11) for services not in the course of the employer's trade or business, to the extent paid in any medium other than cash; or

"(12) to, or on behalf of, an employee or his beneficiary—

"(A) from or to a trust described in section 401 (a) which is exempt from tax under section 501 (a) at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust; or

"(B) under or to an annuity plan which, at the time of such payment, meets the requirements of section 401 (a) (3), (4), (5), and (6)."

With the following committee amendment:

Page 4, line 4, strike out "such" and insert "any."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, under present law the withholding provisions of the Internal Revenue Code operate to require an employer who is doing business in Puerto Rico or a possession of the United States to deduct not only the Federal income tax, but in addition the income tax of Puerto Rico or of the possession as well. Jobs in Puerto Rico or in the United States possessions are made unattractive to potential employees by this double withholding. The requirement is also unnecessary since the foreign-tax credit usually permitted to such employees eventually relieves the employee of all or most of the Federal income-tax liability.

To rectify this situation H. R. 4394 provides that an employer—other than the United States Government—need not withhold the Federal income tax from amounts paid as compensation for personal services performed in a possession of the United States or Puerto Rico if the law of the possession or Puerto Rico requires the withholding of income on amounts paid for such services.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption.

Mr. JENKINS. Mr. Speaker, H. R. 4394 amends section 3401 of the Internal Revenue Code of 1954 to provide that there is to be no withholding of United States income tax on remuneration paid for services performed in a possession of the United States by a United States citizen if the employer is required by law of the possession to withhold income tax on the remuneration. In other words, this bill is intended to prevent

double withholding. It was reported unanimously by the Committee on Ways and Means.

AUTHORIZING SUBPENAS IN CONNECTION WITH ENFORCEMENT OF NARCOTIC LAWS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7018) to authorize subpoenas in connection with the enforcement of the narcotic laws, and for other purposes, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of any investigation which, in the opinion of the Secretary of the Treasury, is necessary and proper to the enforcement of the laws of the United States relating to narcotic drugs and marihuana, the Secretary of the Treasury is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records (including books, papers, documents, and tangible things which constitute or contain evidence) which the Secretary of the Treasury finds relevant or material to the investigation. The attendance of witnesses and the production of records may be required from any place in any State or in any Territory or other place subject to the jurisdiction of the United States at any designated place of hearing: *Provided*, That a witness shall not be required to appear at any hearing distant more than 100 miles from the place where he was served with subpoena. Witnesses summoned by the Secretary of the Treasury shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

SEC. 2. A subpoena of the Secretary of the Treasury may be served by any person designated in the subpoena to serve it. Service upon a natural person may be made by personal delivery of the subpoena to him. Service may be made upon a domestic or foreign corporation or upon a partnership or other unincorporated association which is subject to suit under a common name, by delivering the subpoena to an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process. The affidavit of the person serving the subpoena entered on a true copy thereof by the person serving it shall be proof of service.

SEC. 3. In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary of the Treasury may invoke the aid of any court of the United States within the jurisdiction of which the investigation is carried on or of which the subpoenaed person is an inhabitant, carries on business or may be found, to compel compliance with the subpoena of the Secretary of the Treasury. The court may issue an order requiring the subpoenaed person to appear before the Secretary of the Treasury there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in the judicial district whereof the subpoenaed person is an inhabitant or wherever he may be found.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, present law provides no authority to the Secretary of the Treasury to subpoena witnesses or to order the production of books and records with respect to the enforcement of the laws of the United States relating to narcotic drugs and marihuana. This lack of authority handicaps enforcement officers of the Treasury Department who can obtain subpoenas through the Federal courts only upon a showing of sufficient evidence.

H. R. 7018 would grant the Secretary of the Treasury authority to summon persons, papers, and books and records to assist in the enforcement of the narcotic and marihuana laws of the United States. In addition, the bill will establish a contempt procedure as a means of compelling compliance with any summons issued pursuant to the authority granted.

The Treasury Department recommended this bill, and it was unanimously reported by the Committee on Ways and Means. I therefore urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7018 authorizes the Secretary of the Treasury to administer oaths and affirmations, subpoena witnesses and compel their attendance, take evidence, and require the production of any records which the Secretary finds necessary or relevant to an investigation in connection with the enforcement of laws pertaining to narcotic drugs and marihuana. The bill was reported unanimously by the Committee on Ways and Means.

EXTENDING PERIOD FOR EXERCISE OF RESTRICTED STOCK OPTIONS AFTER TERMINATION OF EMPLOYMENT

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7064) to amend section 421 (a) of the Internal Revenue Code of 1954 to extend the period for exercise of restricted stock options after termination of employment, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 421 (a) of the Internal Revenue Code of 1954 is amended by striking out "3 months" and inserting in lieu thereof "6 months."

SPECIAL RULE FOR PRIOR TERMINATIONS

SEC. 2. The period of 1 year referred to in the last sentence of section 421 (a) of the Internal Revenue Code of 1954 shall in no event be deemed to expire prior to 6 months after the date of enactment of this act.

EFFECTIVE DATE

SEC. 3. The provisions of sections 1 and 2 shall be effective only with respect to transfers of stock made after December 31, 1953.

With the following committee amendments:

Page 1, line 5, strike out "six" and insert "6."

Page 1, strike out line 6 down to and including line 4 on page 2 and insert:

"Sec. 2. The amendment made by the first section of this act shall apply with respect to taxable years after December 31, 1954, but only with respect to options exercised after such date."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, among the special rules provided in the Internal Revenue Code for employee restricted stock options there is a provision that requires an employee to exercise any option granted to him within 3 months of the time that the employee quits the service of the granting employer.

Frequently this rule works hardships upon employees who, upon being separated from the service of an employer, find it necessary to devote their attention to finding a new job, or to adjusting themselves to a new position. While so engaged they often overlook the necessity for exercising their stock option within the 3-month period presently permitted. In addition, the individual may find himself short of funds in the period immediately after separation from a job because of unusual expenses incurred in moving to a new location or adjusting himself to new circumstances. For these reasons, H. R. 7064 extends the time in which an employee may exercise a restricted stock option to within 6 months following separation from the service of the employer who grants the option.

This bill has been reported unanimously by the Committee on Ways and Means. I urge that it be passed.

Mr. JENKINS. Mr. Speaker, H. R. 7064 amends the stock option provision contained in section 421 of the Internal Revenue Code of 1954. It provides that an employee who has been separated from the service of an employer issuing a stock option is to have until 6 months after such separation, instead of 3 months as is provided by present law, to exercise such option if he is to obtain the tax deferment and capital gains treatment provided for restricted stock options. The change made by this bill is to be effective with respect to stock options exercised after December 31, 1954 in the case of years ending after that date. This bill was reported unanimously by the Committee on Ways and Means.

ALLOWANCE OF CREDITS FOR DIVIDENDS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7282) relating to the allowance of the credits for dividends received, for dividends paid, and for a Western Hemisphere trade corporation in computing the alternative tax of a corporation with

respect to its capital gains, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 117 (c) (1) (A) of the Internal Revenue Code of 1939 is hereby amended by inserting after the word "reduced" the following: "(except for the purposes of determining the credits allowable under subsections (b), (h), and (i) of section 26)."

SEC. 2. The amendment made by section 1 shall be applicable with respect to taxable years beginning after December 31, 1951, and before January 1, 1954.

With the following committee amendment:

Page 2, line 2, after the period insert "No interest shall be allowed or paid on any overpayment resulting from such amendment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the intercorporate dividends-received credit permitted under the 1939 Internal Revenue Code was 85 percent of the dividends received. However, a limitation was imposed providing that the credit should not exceed 85 percent of the adjusted net income of the taxpayer computed without regard to the deduction allowed for a net operating loss. A similar limitation was imposed in the case of dividends paid on certain preferred stock of public utility companies. There the credit was limited to a percentage of the amount of dividends paid or to the percentage applied to the adjusted net income of the taxpayer less the credits for dividends received. Also in the case of Western Hemisphere trade corporations the intercorporate dividends-received credit was limited to a percentage of the normal tax net income.

The limitations imposed upon the credit in these cases posed the question as to whether net income for purposes of computing the limitation is to include capital gains which, under the alternative computation provided by law, are taxed at a maximum effective rate of 25 percent regardless of the tax rate otherwise applied for purposes of computing the tax.

Until 1952 it was the generally accepted administrative practice of the Bureau of Internal Revenue to accept computations of the intercorporate dividends-received credit which included capital gains in net income for purposes of the credit. However, beginning in 1952 some doubt was cast upon this practice which was not settled by a definitive ruling until 1954. As a result of this situation, the Committee on Ways and Means believes that taxpayers may have been confused to their detriment. Therefore, H. R. 7282 provides that for taxable years beginning after December 31, 1951, and before January 1, 1954, qualifying corporations may compute

the incorporate dividends-received credit, the credit for dividends paid on certain preferred stock of utility corporations, and the credit for Western Hemisphere trade corporations by including in the net income of the corporation the excess of net long term capital gains over short term capital losses.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 7282 provides that in the computation of the credits for corporate dividends received, for dividends paid on certain preferred stock and for Western Hemisphere trade corporations, a corporation's net income under the 1939 Code is to be determined without reduction for the excess of the long-term capital gain over the net short-term capital loss. This bill was reported unanimously by the Committee on Ways and Means.

TAX TREATMENT OF INCOME RECEIVED FROM PATENT INFRINGEMENT SUITS

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 7300) to amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringement suits, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1302 (a) (3) of the Internal Revenue Code of 1954 (relating to income from an invention or artistic work) is hereby amended by adding at the end thereof the following new subsection: "and

"(4) in one taxable year, income is received or accrued after the commencement of court proceedings, by an owner of a patent or copyright or an undivided interest therein in respect of either an infringement of such patent or copyright or a use or manufacture of the thing patented or copyrighted by the United States without license, which infringement or which use or manufacture occurred over a period at least a part of which was prior to such taxable year, then the tax attributable to the inclusion of such income in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such income had been included in the gross income of such owner in equal increments over the months during which such infringement or such use or manufacture occurred."

With the following committee amendment:

Strike out all after the enacting clause and insert "That (a) part I of subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by renumbering section 1304 as section 1305, and by inserting after section 1303 the following new section:

"Sec. 1304. Compensatory damages for patent infringement.

"If an amount representing compensatory damages is received or accrued by a

taxpayer during a taxable year as the result of an award in a civil action for infringement of a patent issued by the United States, then the tax attributable to the inclusion of such amount in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such amount had been included in gross income in equal installments for each month during which such infringement occurred."

"(b) The table of sections for such part I is hereby amended by striking out

"Sec. 1304. Rules applicable to this part," and inserting in lieu thereof the following:

"Sec. 1304. Compensatory damages for patent infringement.

"Sec. 1305. Rules applicable to this part."

SEC. 2. The amendments made by the first section of this act shall apply with respect to taxable years ending after the date of the enactment of this act, but only with respect to amounts received or accrued after such date as the result of awards made after such date."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the annual system of accounting presently required by our income tax laws operates to deprive a person receiving a judicial award for the infringement of a patent of the fruits of his judgment. This is so because the amount of compensatory damages awarded in such cases is lumped in a single year requiring a substantially greater tax than would have been applicable had the taxpayer received the income equivalent to the amount of the compensatory damages over the period in which the infringement occurred.

H. R. 7300 would permit a taxpayer receiving a judgment for the infringement of a United States patent to spread the amount of the judgment proportionately over the period in which the infringement occurred. This treatment is permitted only with respect to so much of the judgment as represents compensatory damages and is further limited to exclude amounts awarded as attorneys' fees, interest, or cost.

This bill was unanimously reported by the Committee on Ways and Means. I urge that the House pass it.

EXTENSION OF TREATMENT PROVIDED IN SECTION 345 OF REVENUE ACT OF 1951 TO CERTAIN CASES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 2619) to amend section 345 of the Revenue Act of 1951, which was reported favorably unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That if refund or credit of an overpayment resulting from the application of section 345 of the Revenue Act of 1951 (relating to abatement of tax on certain

trusts for members of Armed Forces dying in service) is prevented on the date of the enactment of this act by the operation of any law or rule of law (other than sec. 3760 of the Internal Revenue Code of 1939 or sec. 7121 of the Internal Revenue Code of 1954, relating to closing agreements, and other than sec. 3761 of the Internal Revenue Code of 1939 or sec. 7122 of the Internal Revenue Code of 1954, relating to compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within 1 year after the date of the enactment of this act. No interest shall be allowed or paid on any overpayment if refund or credit of such overpayment would not be allowable but for this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, as you will recall, section 345 of the Revenue Act of 1951 provided for a credit or refund of the tax paid on the income of trusts where the income had been accumulated for a member of the Armed Forces of the United States or the United Nations, if the serviceman died or was killed in active service during the period, December 7, 1941, to January 1, 1948.

As a result of an oversight no relief was provided in the 1951 Revenue Act for cases where refunds or credits were barred by the expiration of the statute of limitations, by a prior court decision, or for other similar reasons. To cure this oversight, H. R. 2619 extends treatment equivalent to that provided in section 345 of the Revenue Act of 1951 to cases where refunds or credits were barred by operation of law or rule of law—other than closing agreements or compromises.

This bill was unanimously reported by the Committee on Ways and Means. I urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 2619 provides that if a credit or refund under section 345 of the Revenue Act of 1951 of the tax on the income of certain trusts was barred by operation of law or rule of law—other than a closing agreement or compromise—credit or refund is nevertheless to be allowed if the claim is filed within 1 year of the date of enactment of this bill. No interest is to be allowed or paid on such refunds or credits. The trusts referred to are those where the income had been accumulated for the benefit of servicemen killed on active duty during the period December 7, 1941, to January 1, 1948. An identical bill passed this House unanimously in the last Congress. The favorable report of the Committee on Ways and Means on the bill is unanimous.

AMENDING SECTION 4021 OF INTERNAL REVENUE CODE OF 1954

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 4668) to amend section 4021 of the Internal Revenue Code of 1954, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4021 of the Internal Revenue Code of 1954 be amended by striking out therefrom the words "aromatic cachous."

With the following committee amendment:

Page 1, strike out lines 4 and 5 and insert "Is hereby amended by striking out 'aromatic cachous.'"

"Sec. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends section 4021 of the Internal Revenue Code of 1954 to remove the present 10 percent excise tax levied on certain toilet preparations from application to aromatic cachous.

An aromatic cachou is an aromatic pellet made of licorice, cashew nuts, gum, and so forth, which is chewed for purposes of sweetening the breath. The article should not be taxed as a toilet preparation since its use identifies it more clearly with mouth washes or candied mints rather than the externally applied toilet preparations with which it is presently taxed. The present classification of this item places it at a competitive disadvantage with nontaxed articles which are purchased and used for identical purposes. In addition, aromatic cachous are sold in candy stores, confectionaries, and other shops which do not usually handle articles subject to the toilet preparation's tax. As a result of this fact, these stores are burdened by a tax collecting requirement because they handle aromatic cachous although the amount of revenue produced is negligible. This has discouraged many outlets from handling the product.

For these reasons, your committee believes this item should be removed from the burden of the tax.

This bill was reported unanimously by the Committee on Ways and Means. I, therefore, urge its adoption by the House.

Mr. JENKINS. Mr. Speaker, H. R. 4668 amends section 4021 of the Internal Revenue Code of 1954, which provides a 10 percent excise tax on certain toilet preparations, by striking out the words "aromatic cachous." The bill was reported unanimously by the Committee on Ways and Means.

REPEALING MANUFACTURERS' EXCISE TAX ON MOTORCYCLES

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I ask unanimous consent for the immediate consideration of the bill (H. R. 5647) to repeal the manufacturers'

excise tax on motorcycles, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4061 (a) (2) of the Internal Revenue Code of 1954 (relating to tax on certain motor vehicles) is hereby amended by striking out "Motorcycles."

Sec. 2. The amendment made by the first section of this act shall apply only with respect to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, this bill amends the Internal Revenue Code of 1954 to remove motorcycles from the 10 percent manufacturers' excise tax on passenger cars and other motor vehicles. The Committee on Ways and Means believes that this action is necessary because the motorcycle industry is depressed by reason of declining sales and diminishing profits.

Sales of the motorcycle industry have been declining since 1947 in which year the profits of the three largest producers amounted to approximately \$3.5 million. Since that time they have declined rapidly to \$2.3 million in 1948 and \$1.4 million in 1950. In 1951 the profits of the three largest producers amounted to only \$300,000, and since that time have generally declined until a loss of over \$400,000 was experienced in 1954.

Sales of the 3 leading domestic producers have declined by 45 percent in the 7-year period since 1948. During the same period employment in the industry has decreased steadily for the 3 leading domestic producers from a level of about 3,800 workers in 1948 to slightly less than 1,900 in 1954.

In the light of the general and steady decline in this industry during the recent period of generally rising profits, it is believed by the Committee on Ways and Means to be undesirable to continue the special excise tax on motorcycles. The amount collected from the motorcycle industry is not large. The reduction in revenue resulting therefore is certainly not serious.

This bill was unanimously reported by the Committee on Ways and Means, I, therefore, urge its adoption by the House of Representatives.

Mr. JENKINS. Mr. Speaker, H. R. 5647 repeals the manufacturers' excise tax on motorcycles. The motorcycle industry is a depressed industry which has had declining sales in the past several years. Under these circumstances, it appears unreasonable to continue a substantial excise tax upon the product of the industry. The bill was reported unanimously by the Committee on Ways and Means.

AMENDING THE SUBVERSIVE ACTIVITIES CONTROL ACT

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2171) to amend the Subversive Activities Control Act so as to provide that upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified, which was reported unanimously by that committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection 12 (a) of the Subversive Activities Control Act is amended by striking out the period immediately following the word "succeed" therein, and inserting in lieu thereof a colon and the following: "Provided, however, That upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING 5-YEAR TERMS OF OFFICE FOR MEMBERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. WALTER. Mr. Speaker, by direction of the Committee on Un-American Activities, I ask unanimous consent for the immediate consideration of the bill (S. 2375) to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year, which was reported unanimously by the Committee.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. DIES. Mr. Speaker, reserving the right to object, will the gentleman explain what the bill provides?

Mr. WALTER. The purpose of this bill is to stagger the terms of the members of the Board. There are two vacancies now. There will be 2 more vacancies occurring on the 9th of August when 2 more terms expire. What this does is to create 5-year terms of the newly appointed members staggered so that they will expire 1 each year instead of all at one time.

Mr. DIES. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (a) of the Subversive Activities Control Act of 1950 is amended by striking out the third sentence and inserting in lieu thereof the following: "The terms of office of the members of the Board in office on the date of enactment of the Subversive Activities Con-

trol Board Tenure Act shall expire at the time they would have expired if such act had not been enacted. The term of office of each member of the Board appointed after the date of enactment of the Subversive Activities Control Board Tenure Act shall be for 5 years from the date of expiration of the term of his predecessor, except that (1) the term of office of that member of the Board who is designated by the President and is appointed to succeed 1 of the 2 members of the Board whose terms expire on August 9, 1955, shall be for 4 years from the date of expiration of the term of his predecessor, and (2) the term of office of any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be for the remainder of the term of his predecessor. Upon the expiration of his term of office a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified."

SEC. 2. This act may be cited as the "Subversive Activities Control Board Tenure Act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBBER PRODUCING FACILITIES DISPOSAL ACT OF 1953

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7301) to amend the Rubber Producing Facilities Disposal Act of 1953, as heretofore amended, so as to permit the disposal thereunder of Plancor No. 980 at Institute, W. Va., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, strike out "thirty-day" and insert "sixty-day."

Page 2, line 9, strike out "sixty" and insert "seventy-five."

Page 4, line 6, after "Notwithstanding" insert "the provisions of section 4 of Public Law 19, approved March 31, 1955, and notwithstanding."

(4) Page 4, line 8, strike out "that" and insert "the latter."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in; and a motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATIONS BILL, 1956

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON and TABER; and on chapter I, Messrs. WHITTEN, MAR-

SHALL, and H. CARL ANDERSEN; on chapter II, Messrs. PRESTON, THOMAS, and BOW; on chapter III, Messrs. MAHON, SHEPPARD, SIKES, WIGGLESWORTH, SCRIVNER, and FORD; on chapter IV, Messrs. PASSMAN, GARY, and WIGGLESWORTH; on chapter V, Messrs. ANDREWS, MAHON, and FENTON; on chapter VI, Messrs. THOMAS, YATES, and PHILLIPS; on chapter VII, Messrs. KIRWAN, NORRELL, and JENSEN; on chapter VIII, Messrs. FOGARTY, FERNANDEZ, and HAND; on chapter IX, Messrs. RABAUT, KIRWAN, and DAVIS of Wisconsin; on chapter X, Messrs. ROONEY, PRESTON, and COUDERT; on chapter XI, Messrs. GARY, PASSMAN, and CANFIELD; on chapters XII, XIII, XIV, and XV, Messrs. RABAUT, NORRELL, and HORAN.

MAJ. GEN. JOHN STEWART BRAGDON

Mr. VINSON. Mr. Speaker, by direction of the Committee on Armed Services, I ask unanimous consent for the immediate consideration of the bill (H. R. 7628) to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or any other provision of law, Maj. Gen. John Stewart Bragdon, United States Army, retired, may be appointed to and accept and hold a civilian position in the White House office.

SEC. 2. Major General Bragdon's appointment to, and acceptance and holding of, a civilian position in the White House office shall in no way affect any status, office, rank, or grade he may occupy or hold as a retired officer in the United States Army, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided, however,* That during his incumbency in a civilian position in the White House office he shall receive the compensation appertaining to such position in lieu of the retired pay to which he is entitled as a retired officer of the Army: *Provided further,* That upon the termination of such civilian employment the payment of his retired pay shall be resumed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER RESOURCES OF ALASKA

Mr. ENGLE submitted a conference report and statement on the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development and utilization of the water resources of Alaska.

SOCIAL-SECURITY PROGRAM

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in the almost 20 years of the existence of the social-security program we can be proud of the many security benefits we have extended to the citizens of our country. One group of deserving workers we have included is the State and municipal employees. No more loyal group of citizens can be found anywhere, yet for years they were without the benefit of this security. They were in an unfortunate position with no type of retirement provided and with a limited salary that did not permit a program of their own. It was my happy privilege to work with other Members of Congress in successfully including this category of workers under the social-security law in the 81st Congress.

During the 84th Congress we have amended the social-security law to continue benefits to permanently and totally disabled children after they have reached the age of 18; extended coverage to certain professional groups and others not heretofore covered; lowered the retirement age of women from 65 to 62, bringing immediate benefits to 800,000 additional women; provided disability insurance benefits to some 250,000 permanently and totally disabled workers aged 50 or over. I am very happy this has been done, but I feel this Congress still has unfinished business and has not extended benefits far enough to the American people who want this protection.

The social-security program has been accepted by both major political parties. It has been tried and proved to be an effective weapon against family insecurity. It is the cornerstone for security and happiness for the disabled and aged in our American society. This program covers a great percentage of wage earners and self-employed, but it has not gone far enough. We have the sad plight of many of our older citizens who want to work and supplement their social-security payments, but under the existing law their benefits are curtailed if they earn more than \$1,200 a year. Such a provision has encouraged idleness and lowered the level of subsistence. It removes from our industrial field many able bodied and needed intelligent workers. It also discriminates against persons who do not have incomes other than from their source of earnings. Many persons 65 years of age and older whose income is limited do not receive payments sufficient to enable them to maintain an adequate standard of living. Many are destitute and badly in need of help.

We should extend the old-age and survivors benefits to permit beneficiaries to earn up to \$2,400 a year without curtailment of payments. We should extend benefits under the old-age assistance program to permit recipients to earn a reasonable amount regularly to supplement the payments received so they can maintain themselves on a healthful living level.

Since coming to Congress I have advocated the lowering of the age limit of recipients to 60 years. My bill, H. R.

194, now pending in committee, reduces from 65 to 60 the age at which old-age and other monthly insurance benefits shall be payable. I also would like to see this law amended so that when a man retires, his wife automatically becomes eligible at the same time to draw her beneficiary benefits. Under the present law, when a family head suddenly finds his income stopped, it is necessary for the entire family to adjust its living standard downward to come within the amount of his retirement benefits. If the wife's benefits start at the same time as her husband's, it would permit them to continue living as a family and continue to meet their family obligations.

At the end of another history-making session of the United States Congress, we are reminded once again of the magnificent heritage bequeathed to each of us by the divinely inspired wisdom and courage of the forefathers of our country. The unity of the free world is built in a major way around whatever unity in mind, purpose and progress there exists in the hearts of men. Therefore, I state again, this Congress has unfinished business, a long way to go, and many improvements to make.

COMMITTEE ON PUBLIC WORKS

Mr. KARSTEN. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the St. Louis project.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ESTABLISHING A COMMISSION ON GOVERNMENT SECURITY

Mr. WALTER. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1407)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is vital to the welfare and safety of the United States that there be adequate protection of the national security,

including the safeguarding of all national defense secrets and public and private defense installations, against loss or compromise arising from espionage, sabotage, disloyalty, subversive activities, or unauthorized disclosures.

"It is, therefore, the policy of the Congress that there shall exist a sound Government program—

"(a) establishing procedures for security investigation, evaluation, and, where necessary, adjudication of Government employees, and also appropriate security requirements with respect to persons privately employed or occupied on work requiring access to national defense secrets or work affording significant opportunity for injury to the national security;

"(b) for vigorous enforcement of effective and realistic security laws and regulations; and

"(c) for a careful, consistent, and efficient administration of this policy in a manner which will protect the national security and preserve basic American rights.

"ESTABLISHMENT OF THE COMMISSION ON GOVERNMENT SECURITY

"SEC. 2. (a) For the purpose of carrying out the policy set forth in the first section of this joint resolution, there is hereby established a commission to be known as the Commission on Government Security (hereinafter referred to as the 'Commission').

"(b) The Commission shall be composed of twelve members as follows:

"(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

"(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

"(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

"(c) Of the members appointed to the Commission not more than two shall be appointed by the President of the United States, or the President of the Senate, or the Speaker of the House of Representatives from the same political party.

"(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

"(f) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(g) Seven members of the Commission shall constitute a quorum. Each subcommittee of the Commission shall consist of at least three members of the Commission.

"COMPENSATION OF MEMBERS OF THE COMMISSION

"SEC. 3. (a) Members of the Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) The members of the Commission who are in the executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the

performance of the duties vested in the Commission.

"(c) The members of the Commission from private life shall each receive \$50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"STAFF OF THE COMMISSION

"Sec. 4. (a) (1) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(2) The Commission may procure, without regard to the civil-service laws and the Classification Act of 1949, as amended, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed \$50 per diem for individuals.

"(b) All employees of the Commission shall be investigated by the Federal Bureau of Investigation as to character, associations, and loyalty and a report of each such investigation shall be furnished to the Commission.

"EXPENSES OF THE COMMISSION

"Sec. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

"DUTIES OF THE COMMISSION

"Sec. 6. The Commission shall study and investigate the entire Government security program, including the various statutes, Presidential orders, and administrative regulations and directives under which the Government seeks to protect the national security, national defense secrets, and public and private defense installations, against loss or injury arising from espionage, disloyalty, subversive activity, sabotage, or unauthorized disclosures, together with the actual manner in which such statutes, Presidential orders, administrative regulations, and directives have been and are being administered and implemented, with a view to determining whether existing requirements, practices, and procedures are in accordance with the policies set forth in the first section of this joint resolution, and to recommending such changes as it may determine are necessary or desirable. The Commission shall also consider and submit reports and recommendations on the adequacy or deficiencies of existing statutes, Presidential orders, administrative regulations, and directives, and the administration of such statutes, orders, regulations, and directives, from the standpoints of internal consistency of the overall security program and effective protection and maintenance of the national security.

"POWERS OF THE COMMISSION

"Sec. 7. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this joint resolution, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued under the signature of the Chairman of the Commission, or the chairman of any subcommittee with the approval of a majority of the members of such subcommittee and may be served by any person designated by such chairman. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194), shall apply in the case of any fail-

ure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

"(b) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this joint resolution, and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

"INTERFERENCE WITH CRIMINAL PROSECUTIONS AND INVESTIGATIVE AND INTELLIGENCE FUNCTIONS

"Sec. 8. Nothing contained in this joint resolution shall be construed to require any agency of the United States to release any information possessed by it when, in the opinion of the President, the disclosure of such information would jeopardize or interfere with a pending or prospective criminal prosecution, or with the carrying out of the intelligence or investigative responsibilities of such agency, or would jeopardize or interfere with the interests of national security.

"REPORTS

"Sec. 9. The Commission may submit interim reports to the Congress and the President at such time or times as it deems advisable, and shall submit its final report to the Congress and the President not later than December 31, 1956. The final report of the Commission may propose such legislative enactments and administrative actions as in its judgment are necessary to carry out its recommendations. The Commission shall cease to exist 90 days after submission of its final report."

And the Senate agree to the same.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,

Managers on the Part of the House.

JOHN F. KENNEDY,
HUBERT H. HUMPHREY,
STUART SYMINGTON,
STROM THURMOND,
MARGARET CHASE SMITH,
NORRIS COTTON,
THOS. E. MARTIN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 157) establishing a Commission on Government Security, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House and Senate versions with respect to section 1 (a) were substantially identical. The main difference was in the transposition of phrases. The Senate version also included reference to procedures for clearance of Government employees but the House version did not. The conference report adopted the language as it appeared in the Senate version but deleted reference to clearance of Government employees.

In section 2 (g) the Senate version provided that each subcommittee of the Commission should consist of at least three members. The House version made no reference to the composition of subcommittees. The conference report adopted the Senate language.

Section 8 of the joint resolution which relates to interference with criminal prosecutions and investigative and intelligence functions did not differ in substance in either the House or Senate version. The House version

made no specific reference to either investigative responsibilities or to activities which would jeopardize or interfere with the interest of national security. In the Senate version, however, reference to those two matters was specifically spelled out. The conference report adopted the language of the Senate version.

Section 9, relating to the reports of the Commission, in the Senate version fixed the date of final report as March 31, 1956. In the House version the date was fixed at December 31, 1956. The conference report adopted the House language and fixed the date at December 31, 1956.

EMANUEL CELLER,
FRANCIS E. WALTER,
KENNETH B. KEATING,

Managers on the Part of the House.

The conference report was agreed to; and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Anfuso	Gwinn	Perkins
Boykin	Hardy	Powell
Buchanan	Hillings	Radwan
Celler	Kearney	Reese, Tenn.
Chiferfield	Kilburn	Reed, N. Y.
Dingell	Krueger	Rivers
Eberharter	Macdonald	Shelley
Gray	Mumma	

The SPEAKER. On this rollcall 414 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO AMEND TITLE V OF THE AGRICULTURAL ACT OF 1949, AS AMENDED

Mr. COOLEY submitted the following conference report and statement on the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended:

MEAL AND FLOUR FOR RELIEF PURPOSES

Mr. COOLEY submitted a conference report and statement on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to reprocess food commodities for donation under certain acts.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for con-

tinuing the construction of highways, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7474, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Michigan [Mr. DONDERO] as amended by the amendment of the gentleman from Washington [Mr. MACK].

Are there further amendments?

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to clear up some possible misunderstanding about something that took place on the floor of this House yesterday. I inserted in the RECORD a telegram signed by James A. Farley. This morning I received a message from Mr. James A. Farley, the former national chairman of the Democratic Committee, the former Postmaster General, and a very distinguished citizen of the State of New York. Mr. Farley authorized me to tell the House of Representatives that he had sent and signed the telegram that I placed yesterday in the RECORD.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BECKER. May I say to the gentleman that I corroborate what she has said, because I spoke to Jim Farley the other night, and he told me he sent me that telegram. I appreciate his sending it to me. I was not on the floor yesterday, but I want to corroborate what the gentleman has just said.

Mrs. ST. GEORGE. I put that telegram in the RECORD yesterday.

Mr. BUCKLEY. Mr. Chairman, will the gentleman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BUCKLEY. I am not surprised that Mr. Farley sent to the Republican Members of this House a telegram asking them to vote against the Democratic bill. No doubt, his present views are influenced by his business association with the General Motors Truck Corp.

Mrs. ST. GEORGE. I might say to the gentleman that Mr. Farley said in his telegram to us that he had sent the same telegram to you. He may not consider you a member of the Democratic side of the House. That I do not know.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mrs. ST. GEORGE. I yield.

Mr. FULTON. I would like to comment, too, that I have received a telegram from the Democratic mayor of Pittsburgh, Mayor David Lawrence, interceding with me to try to prevent the coming up of the natural gas bill which he felt the Democratic leadership of the House and the Democratic side of the House was going to bring up and cost the consumers of this country millions of dollars in the closing hours of Congress when adequate consideration could

not be given. And further I received another letter today from the Democratic mayor of Philadelphia, joined by the Democratic mayors of New York City and Pittsburgh, quoting former President Harry Truman, to prevent the passage of this bill, which they feel would cost the consumers of the East and West so much money.

Mrs. ST. GEORGE. I am sure the gentleman will agree with me that many of these questions transcend party politics.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MCGREGOR. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The Clerk read as follows:

Amendment offered by Mr. MCGREGOR: On page 22, after line 20 and after the period insert "(d) and the following: 'All agreements between the Secretary and the State highway department for the construction of projects on the National System may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the National System in such State.'"

Mr. MCGREGOR. Mr. Chairman, I have submitted this amendment to both the minority and the majority sides. It was accepted in our committee. It simply puts into the Dondero substitute the same wording as was accepted by our committee, I think, by unanimous vote when we were discussing the Fallon bill against monopoly. It simply assures the people protection. I ask for its adoption, Mr. Chairman.

Mr. FALLON. Mr. Chairman, I think it is a fine amendment, and we have no objection to it.

Mr. SMITH of Virginia. Mr. Chairman, may we have the amendment reread?

The CHAIRMAN. Without objection, the Clerk will reread the amendment offered by the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, if I might be recognized for a moment, I might point out to my distinguished friend, the gentleman from Virginia, the language of the amendment is to be found on page 28 of the bill, H. R. 7474, or Mr. Fallon's bill. It is the exact wording as included in the Fallon bill.

Mr. SMITH of Virginia. What does the amendment do?

Mr. FALLON. Mr. Chairman, the President's Advisory Committee on the National Highway Program considered the type of marketing concessions along the interstate system to be a matter of great importance. In the report entitled, "Ten Year National Highway

Program" the committee pointed out that in the constructing and the control of the highway system, care should be exercised to assure that traditional free enterprise is promoted and no monopolistic tendencies develop in the provision of needed facilities to service the highway users with food, lodging, vehicles, fuel and similar needs.

That was brought out because on some of the toll roads in the country, the right to do business along the right-of-way is sold to bidders to put up eating establishments and gasoline stations and one company may get all the stations along many miles of highway so that if a motorist needs gasoline on any particular section of the highway, he will have to pay whatever price the particular company may want to charge because there is no free competition on that highway.

Mr. SMITH of Virginia. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. DONDERO: On page 22, after line 20, insert a new section as follows:

"Sec. 209. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

"(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce."

Mr. JONES of Alabama. Mr. Chairman, I reserve a point of order against the amendment on the ground that the Reclassification Act is not germane, and that the amendment is not germane to the bill.

Mr. SCHERER. Mr. Chairman, this amendment is section 14 (a) and section 14 (b) of the Fallon bill.

If the Dondero substitute should pass, it is felt that this amendment is necessary and proper insofar as the Dondero substitute is concerned.

It is my recollection that in voting out the Fallon bill the committee almost unanimously agreed that this amendment was a necessity. What is happening is this: As we all know, there is a tremendous lack of engineers in this country, and even at the present time with this accelerated road program which we hope will pass, the Bureau of

Public Roads is losing engineers daily. As an example, an engineer in the Bureau of Public Roads who is now receiving \$11,000 has been offered \$29,000 to go with a private concern. If this road legislation should become law, you can easily see the tremendous need for this type of engineer, and the Bureau of Public Roads will have further pressures put on its engineers, and you will find them leaving in greater numbers. So the committee, as I said, almost unanimously felt that this section was necessary whereby at least we have two positions in grade 18. There are no positions now in the Bureau of Public Roads in grade 18 which pay \$14,800. That is a low salary in private enterprise for engineers of this caliber.

There are at present in the Bureau of Public Roads five positions in grade 16. This amendment, of course, asks that there be 20 positions. With this accelerated program, you can readily see that in order to carry it out, we are going to need additional engineers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. GROSS. What is the total number of supergrade employees proposed by the gentleman's amendment?

Mr. SCHERER. The amendment proposes only 2 in grade 18 at a salary of \$14,800 and asks for 20 positions in grades 16 and 17, whereas at the present time we have 5.

Mr. GROSS. That makes a total of how many?

Mr. SCHERER. Seventeen.

Mr. GROSS. A total increase of 17 in the supergrades.

Mr. SCHERER. Yes.

The CHAIRMAN. Does the gentleman from Alabama insist upon his point of order?

Mr. JONES of Alabama. Mr. Chairman, I insist upon my point of order against the amendment offered by the gentleman from Ohio.

Mr. DONDERO. Mr. Chairman, will the gentleman reserve the point of order?

Mr. JONES of Alabama. Mr. Chairman, I reserve the point of order.

Mr. DONDERO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. We have not in the committee considered the matter of increasing the number of grades, as discussed by the gentleman from Ohio. There is sufficient time for the Bureau of Public Roads, Department of Commerce, to come before the Committee on the Post Office and Civil Service and make a request for these grades and to be heard in season and in an orderly fashion. It seems to me that this is a matter than can wait until such time as it is considered in the ordinary fashion.

Mr. DONDERO. May I say to my good friend from Alabama that if this amendment is placed in the bill and is left in the Fallon bill, if we should get to that, it certainly can do no harm. I

think we should have the right to acquaint the House and the country as to the need of doing what we are about to do with this amendment.

Mr. JONES of Alabama. I regret that I have to raise a point of order, but here we have a bill that trespasses upon the sovereignty and the jurisdiction of almost every committee of the House. It seems to me that we in the Public Works Committee have a large enough task to follow without bringing up every issue to provoke every group in the House of Representatives. It seems to me that the matter can lie still without being dangerous.

Mr. DONDERO. Will the gentleman permit me to say that the Commissioner of Public Roads informed our committee that even now there is a lack of sufficient engineers to carry on the work he must do. Should this legislation become law it is apparent to every Member of the House the additional load that will be placed upon the Bureau of Roads by it. This is one of the greatest road programs in the history of the world. If you will remember, the Commissioner invited our attention to the fact he had only one engineer now receiving \$12,000 a year. This engineer has been offered \$29,000 a year to go into private enterprise. No doubt the Commissioner will have great difficulty in filling the positions that we ask for and getting sufficient personnel to carry on the work unless he gets additional help and these grades are raised sufficiently so he can pay a decent wage for engineers who are capable of doing the work which this vast program will require.

Mr. MCGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. MCGREGOR. Would this not be a correct statement, that we are here starting approximately a \$25 billion road program, an accelerated program? We need help. When do we need that help? We need it as we start the construction program and that is at the very beginning, not next year or the year after. We need that now so that we can get our roadbuilding facilities organized. Certainly when we are asking for only 17 additional people for a \$25 billion program we are not going beyond the limits of good business.

Mr. DONDERO. The gentleman is entirely correct. I may say to the committee in conclusion that the amendment that has been sent to the Clerk's desk was taken out of the Fallon bill, section 14 (a), pages 30 and 31, so it is nothing new.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Under the Dondero bill when are the funds available for expenditure on the interstate system?

Mr. DONDERO. If it becomes law, I can say just as soon as the machinery is set up. There will be bonds sold in order to begin the work at the very earliest possible hour.

Mr. JONES of Alabama. At the beginning of the fiscal year 1956?

Mr. DONDERO. I think we have set that up to 1956 now.

Mr. JONES of Alabama. 1956?

Mr. DONDERO. The same as in the Fallon bill.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Certainly.

Mr. WILSON of Indiana. I thought the gentleman over there had the floor on his point of order against the amendment.

Mr. DONDERO. I think the gentleman in the well has the floor under the 5-minute rule.

Mr. WILSON of Indiana. All right. I will wait until he gets back on his point of order.

Mr. JONES of Alabama. Mr. Chairman, I insist on my point of order.

Mr. Chairman, I think I have stated the point of order that this is a matter coming within the jurisdiction of the Committee on Post Office and Civil Service. It is a reclassification section, and therefore it is not germane to the bill and the point of order should be sustained.

The CHAIRMAN (Mr. KEOGH). The gentleman from Ohio offered an amendment which was reported and which, in substance, provides authority to the Secretary of Commerce to put 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17, to which the gentleman from Alabama [Mr. JONES] has made a point of order.

It is the opinion of the Chair that the amendment offered by the gentleman from Ohio does, in fact, create additional positions within the general schedules established by the Classification Act of 1949, which is within the jurisdiction and authority of another standing committee of the House.

The Chair therefore is constrained to sustain the point of order.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this move is just exactly typical of what this committee is trying to do to the House of Representatives of the United States Congress. They have usurped the power of the Committee on Ways and Means, they have usurped the power of the Committee on Appropriations, and now they are attempting to usurp the power granted to the Committee on Post Office and Civil Service.

I think it is time we were sitting up and taking notice of the far-reaching effect of this bill. We are just beginning to realize that we are going to run into some trouble. Are we going to abdicate all of the power and responsibility given to us of the various committees in the House to this one Committee on Public Works?

Let me tell you what is behind this move of the Committee on Public Works. And there is no question about it. I have heard these gentlemen get up on the floor and say, "If we do not get the Dondero bill, we will vote for the Fallon bill." Sure they will. If they cannot vote for daylight, they will vote for darkness. Both are bad bills, but they are willing to take either. Why do members of the Committee on Public

Works make such statements. Because they want to grab the power over, and the control over, the biggest public works program that has ever been submitted to this Congress. Now, is this Congress going to delegate to the Public Works Committee the authority to levy taxes, a power which belongs to the Committee on Ways and Means? Are they going to delegate to this committee the power to appropriate funds, which power belongs to the Committee on Appropriations, and such other powers as they will need to usurp from the other legislative committees in order to operate this program?

Folks, it is time you stopped, you looked, and you listened.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

UN SOUND MONEY, INFLATION, CHEAPER DOLLARS, FISCAL IRRESPONSIBILITY, AND UNBALANCED BUDGET

Mr. Chairman, the question of sound money and unsound money in our economy and the effect upon our economy should be considered in connection with these bills. I was shocked yesterday—and I hope my good friend, the gentleman from Massachusetts [Mr. MARTIN], will listen to this—I was shocked yesterday when I heard my good, conservative friend from Massachusetts, the minority leader and a former Speaker of this House, make an impressive speech in favor of cheap dollars, unsound money, inflation, and fiscal irresponsibility, in addition to a continued unbalanced budget.

I never thought I would live to see the day when by good friend from Massachusetts [Mr. MARTIN] would make a speech for those four specific results in the advocacy of any bill. But that is exactly what will happen under this proposal if this amendment is enacted into law.

There will be \$21 billion of additional bonds. Of course, it is said that through some kind of hocus-pocus arrangement it will not become a part of the national debt. You can call it anything you want to, it is still a part of the national debt. It is just like the case of the owner of the dog who said, "We will just suppose that the dog's tail is a leg; won't you say that he has five legs?" You can say that he has 5 legs, but he has 4 legs, and the tail is still a tail. It is just exactly like this bill. If you create \$21 billion in obligations, backed by the credit of the entire Nation, a mortgage upon all the property of the people of the Nation and the income of all of the people of the Nation, that represents a part of the obligations of our country, whether you call it a part of the national debt or not. It is a part of the national debt of this country. You cannot get away from it. Whenever you put \$21 billion of bonds out into the market, you are cheapening the dollar, you are making a springboard for inflation. It means an unbalancing of the budget, and it will probably be unbalanced to the extent where there is not a reasonable probability of balancing it within the next few years.

So I am surprised that the party and the leader of the party, that is always talking about fiscal responsibility, sound dollars, sound money, would come in here

now and advocate things that are just exactly the reverse—an about face.

I know that the Clay committee recommended this, but the Clay committee was weighted down with investment bankers, commercial bankers, brokers of Government bonds. It seems as though every proposal that is offered for schools or roads, they begin first by finding out how many bonds are to be issued, for what period of years, and what the interest rate will be. It seems that the first consideration is the bankers and what they get out of it and not the roads, not the schools.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. DONDERO. The gentleman would not say that General Clay is a banker?

Mr. PATMAN. I do not claim he is a professional banker. This statement shows he is on bankers board.

Mr. DONDERO. The gentleman would not say that David Beck, the head of the teamsters' union is a banker.

Mr. PATMAN. I know, but I cannot yield to the gentleman further. I know about the Commission. I know about their connections. You can look at every committee that is appointed that has to do with schools or roads or anything like that, and you will find that it is weighted down with bankers, who are looking for more debt paper; they want more debt paper, longer terms, higher interest rates. That is what they are looking for. That is what they want here. We should not be passing a bill which is for the bankers.

Now, I believe in the banks and want to help, not harm, them in their proper banking activities.

THE CLAY COMMITTEE

When the size of the administration's 10-year highway expansion program was determined it was found that existing revenue sources would provide but half of the estimated \$100 billion outlay that would be required over the 10-year period.

The job of finding ways and means of executing and financing the remaining half of the proposed highway program was assigned to a Committee of five. A majority of the Committee turned out to be well respected and highly competent men in public and private life who also happened to be connected with banking and investment houses who had an interest in the type of financing that would be decided upon. The Chairman of the Committee was Gen. Lucius Clay, of the Marine Midland Trust Co. In addition there was Mr. S. Sloan Colt, president of Bankers Trust Co., one of the small group of recognized dealers in Government securities. The third banker representative was Stephen Bechtel, president of the Bechtel Corp., a large engineering and construction firm with headquarters in San Francisco, but also a director of the J. P. Morgan Co. banking house of New York City.

The other two members of the Committee included Mr. Dave Beck, head of the International Teamsters Union, and

Mr. W. A. Roberts, president, Allis-Chalmers Manufacturing Co.

The majority of the members of the Committee had affiliations with banks who were vitally interested in the outcome of the financing decisions for the expanded highway program. These banks have large investments in Government securities as well as State and local bonds. A good part of their earnings are derived from the interest they earn on their holdings of Government securities. A good thing that might happen for these banks would be for the interest rate on Government securities to increase so that their earnings might increase. Bankers are not different from other businessmen. Their object is to maximize their earnings for the benefit of the stockholders in the enterprise.

The recommendation of the Clay committee that a new Government corporation be set up to issue bonds amounting to \$20.2 billion to finance part of the extra cost of the expanded highway program meant that banks could look forward to an increase in the supply of riskless earning assets.

An increase in the supply of long-term bonds—the proposed bonds were 30-year bonds—would have the effect of reducing the price and raising the yields on all outstanding Government bonds including the 2½ percent Victory loan bonds that were issued to pay part of the costs of World War II. We made a solemn pledge to those people who invested their savings in the 2½ percent bonds that we would support them at their par value. That pledge was broken in 1951. The proposal to issue the \$20 billion 30-year highway would have the effect of driving the 2½'s far down below their par value.

The Clay committee assumed that the 30-year bonds would be sold at an interest rate of 3 percent. But both Secretary of Commerce Weeks and Treasury Secretary Humphrey told the Senate Public Works Committee that the rate of interest on the highway bonds would be higher than the 3 percent which the Clay committee based its interest calculations on. Secretary Weeks indicated that it might be 3⅞ or 3¾ percent. Secretary Humphrey testified that it might be 3⅞ to 3½ percent.

The interest cost under the Clay Committee assumption of 3 percent would be \$11.5 billion. Under the Humphrey estimate of 3½ percent, the interest cost would exceed \$13 billion.

The proposal to set up a separate corporation to issue the bonds would on the one hand have the effect of justifying setting a higher rate on them than Treasury obligations but they would be just as much obligations of the Treasury as if they had been issued by the Treasury Department.

This was made clear by the statement of Comptroller General Joseph Campbell before the Senate Public Works Committee, March 28, 1955:

Funds for paying off the obligations would come from the general fund of the United States Treasury. * * * The borrowings by the [Federal Highway Corporation] * * * would be borrowings of the United States Government, irrespective of the terminology involved. * * *. It is our opinion that the

Government should not enter into financing arrangements which might have the effect of obscuring financial facts of the Government's debt position.

The debt cost under the Clay Committee proposal would be more than \$3 billion higher than if the Treasury issued 2½ percent bonds directly to finance the program.

At bottom the Clay Committee proposal was but another step in the bankers' campaign to obtain higher interest rate on their investments. The bankers simply wanted to erect a private toll gate on the President's highway program.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

Mr. MASON. Mr. Speaker, I will object to any additional time for the gentleman or for anyone else on either side until we finish this bill.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a sight to behold. In all my long period in Congress I never expected to see the time when the gentleman from Texas would rise on his feet and speak for any sound money policy.

I can remember in my early days when he wanted to pay the soldier bonus with printing-press money.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. No; I will not. The gentleman would not yield to me and I will not yield now.

Mr. PATMAN. I yielded to the gentleman.

Mr. MARTIN. The gentleman did not and I will not yield to him.

Mr. Chairman, I ask to be protected. The CHAIRMAN. The Chair will endeavor to do that.

Mr. MARTIN. I repeat, when I first came to Congress, one of the great bills was under consideration. Up rose the persuasive gentleman from Texas. And what did he want to do? He wanted to pay the soldiers a bonus in phony money, not with dollars but bonds with nothing back of them. In the years that have elapsed since then I have never seen him rise on the floor of this House and speak for sound money.

Well, let's talk about the bill under consideration.

What are we doing today? We are not doing anything inflationary. Few businesses are going to progress in this country today unless they borrow money from the banks. That is the price we pay for the bigness which has come into this country. No city, no State government, nor the National Government, in the last 25 years would have been able to operate if they did not issue bonds. Highways, schools, municipal improvements are all thus provided.

There is nothing new or irresponsible about bonds. We need a highway bill. We need roads now. We need them to meet the expanding needs of a growing country. The cost to the Federal Government will be returned in benefits that will come from the better roads for the farmers and the people who work in the factories, the millions and millions of

people who drive automobiles. They all save in tires, gasoline, and auto appreciation.

The way to get the roads and get them quickly and get them when we need them is to pass the Dondero bill and it will be less burdensome on the taxpayers of this country at a time when taxes are high and there is a universal demand for reductions. The President's bill is the way to do it. All who want good roads, who want them now, who want to avoid burdensome taxes will vote for the President's bill. I have no apologies to make for my position on this bill and I put my record for an honest, sound government and a sound fiscal policy against his any time.

Mr. SMITH of Mississippi. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not want to become involved in an argument about records with two of the senior Members of the House, like the distinguished gentleman from Massachusetts and the gentleman for Texas. However, I do want to point out some statements that were made to the House Committee on Public Works about the inflationary aspects of this program by two distinguished experts in this field.

First, I call the attention of the House to the statements made by the Secretary of the Treasury, Hon. George Humphrey, I believe his name is, in his testimony before the committee. In answer to questions asked by a member of the committee, Mr. Humphrey stated that the Fallon bill would be less inflationary than the Eisenhower plan. So I think that Mr. Humphrey's testimony in that regard is entitled to some credence and some attention by people who are interested in this inflationary question.

The question was elaborated on at greater length by another distinguished Republican, the Honorable Joseph Campbell, Comptroller General of the United States, appointed by President Eisenhower, who was confirmed by the Senate only over the opposition of several distinguished Democrats. Mr. Campbell appeared before our committee and made a very lengthy statement in opposition to the Clay plan or the Eisenhower plan financing. I would appreciate some of you who are interested in this inflationary situation listening to what he said:

We think that the proposed method of financing—

This is talking about the Clay-Eisenhower plan—

is inadvisable because the result would be that the borrowings would not be included in the public debt obligation of the United States.

Then he went into great detail to show how under the hokus pokus arrangements so set up, they would still be obligations of the United States Government, but they would not be included in the public debt.

Mr. Campbell said:

It is our opinion that the Government should not enter into financing arrangements which have the effect of obscuring the

financial facts of the Government's debt position.

And that is just exactly what the Dondero bill would do. It would obscure the Government's debt position, as stated by Mr. Campbell. He went on and spoke further as the fiscal adviser of the Congress, and he said the Dondero bill removes and eliminates any check that the Congress has on the operation of the program except in the most obscure and indefinite fashion. There was considerable discussion by the members of the committee about the inflationary effect and the cost of this program with Mr. Campbell and his representatives of the Comptroller General's Office. The statement further was made:

To my knowledge, I do not believe it has been clearly shown as to why corporation bonds would be less inflationary. The way it looks to us I think you have to figure both methods as debts of the United States Government.

It seems to me that the inflationary aspects of this legislation might come from the expenditure of \$2½ billion a year on top of the present economy and that would be the same, whether the financing was by corporation bonds or by direct appropriation.

Mr. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. GEORGE. Can the gentleman tell me how many billions of dollars we have outside the national debt limit that have been passed in the last 20 years?

Mr. SMITH of Mississippi. We have a lot of billions of dollars outside the debt limit, but we do not have one dollar outside the debt limit, in the same manner as is proposed in the Dondero bill. Secretary Humphrey and all the other people who were questioned could not mention one of them. There is always some real estate or some other matter on which the Government can foreclose in connection with these other debts that are outside the debt limit, but the Government could not foreclose on this highway system. Also, in these other cases, there is some other direct type of revenue involved.

Mr. GEORGE. Will the gentleman tell me which program he is for?

Mr. SMITH of Mississippi. I have stated time and time again, I favor a highway plan properly financed. I think the Fallon bill is by far the lesser of the evils presented to us. Sometimes you have to act on measures in that way.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BURNSIDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this Dondero plan will cost the taxpayers of America 55 cents out of every tax dollar of money that is borrowed. In addition to that, they will pay a super, super interest by setting up the corporation. The members of the committee remembers very well that I asked Secretary Weeks: Would it not cost one-fourth to three-eighths of 1 percent and maybe one-half of 1 percent additional under this plan? Said he realized it would, and that, in turn, would be about \$1½ to \$2 billion more under this program.

Also you know the Republican administration is talking in terms of a \$101

billion overall program about which the President addressed the Nation. If you multiply the billion and a half to two and a half of these interstate roads the sums also that go to the primary road system in terms of the \$101 billion program you would have a super, super interest of about \$5 billion extra.

I asked these questions of the Secretary of the Treasury, Secretary Humphrey, in addition to Secretary Weeks, and he also admitted the same.

Anyone knows that \$5 billion plus another \$11½ billion would build a whole lot of roads.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Ohio.

Mr. SCHERER. Is it not a fact that Secretary Humphrey testified that an approximately equivalent amount of interest would be lost to the people whether they paid this bill in taxes under the Fallon plan or with a bond issue under the Dondero bill? And I am not saying I am against the Fallon plan; I am for the Dondero bill as a lesser of two evils, as my friend said.

Mr. BURNSIDE. I would like to answer the gentleman's question. Under either plan we have to pay for the roads; we cannot reach up into the sky and pull the billions down from the heavens; there is no way to do that.

Mr. SCHERER. Of course the gentleman has not answered my question. Did not the Secretary of the Treasury claim that an equivalent amount of money to the \$11.5 billion would be lost in interest by the people who paid for the roads even by taxes under the Fallon plan? For even under that plan they would have to pay interest.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. CRAMER. While reaching into the heavens for an ethereal plan will the gentleman explain to the House what bill is before the House today calling for \$101 billion? Is there any such bill before the House?

Mr. BURNSIDE. I call the gentleman's attention to the overall plan of the President of the United States. That is what it will finally amount to according to the President's release.

Mr. CRAMER. There is no such figure before the House in either of these bills, is there?

Mr. BURNSIDE. The President used the \$101 billion figure; that is not my figure.

Mr. CRAMER. The gentleman does not answer my question. Is either the Fallon bill or the Dondero bill a \$101-billion bill?

Mr. BURNSIDE. My good friend from Florida will remember that we argued this out with Secretary Weeks and Secretary Humphrey that just as sure as the Federal Government adds one-quarter to three-eighths or even one-half percent more in interest. This in turn would run up the interest rates for all State funds. The States will have to borrow money to pay this additional interest due to the President's \$101-million plan. It will add an additional super

interest for the States to their tremendous detriment.

Mr. CRAMER. I ask my friend to look at pages 16 and 17 of the Dondero bill and add those figures together for the 48 States and the District of Columbia and tell me how he can get \$101 billion out of them? They add up to approximately \$23 billion.

Mr. BURNSIDE. The gentleman will have to ask the President.

Mr. CRAMER. Is it not true that we are considering here a \$23-billion bill in the Dondero plan?

Mr. BURNSIDE. \$23 billion or \$24 billion.

Mr. CRAMER. We are considering a \$12-billion bill. The matter of \$101 billion does not enter this discussion at all.

Mr. BURNSIDE. But when you add the figures up under this bill, the farmers and workmen will have to pay a super, super interest. This pattern of interest definitely affects the entire pattern of interest of our country.

Mr. CRAMER. Let me ask just 2 or 3 questions, if the gentleman will yield.

The Chairman. The time of the gentleman from West Virginia has expired.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, Secretary Humphrey testified before the Committee on Public Works that whether we carried out this highway program with the Fallon bill's higher taxes or the Dondero substitute's bond-issue plan we are going to pay about the same amount of interest.

The Government does not pay this interest; the Congress does not pay this interest; the people of the country pay this interest. When a man buys a truck and finds it costs \$200 to \$400 more because of the Fallon bill he is going to borrow more money to pay for that truck. He will pay interest on his borrowings. When a trucker finds out he must pay on a truck \$15 more per tire under this Fallon bill, when for 20 tires on his truck he pays \$300 more, he must borrow money to pay the taxes in the Fallon bill. He will pay interest. Mr. Humphrey testified that under either plan the so-called interest charge would be just about the same.

Mr. Humphrey testified that in his opinion, the Dondero proposal, the President's proposal, is the best one for the country. He suggested also that if we adopted the Fallon proposal we would take away from the States \$9 billion in gasoline taxes that the States may need in the future to finance their part of the highway program.

Consider that the President of the United States said that the Dondero plan is financially sound and workable, that the greatest authority in the Government of the United States on finances, Mr. Humphrey, and all his fiscal advisers say that the Dondero plan is sound and workable, and also that most of the Governors of the United States of America say that the Dondero plan, the President's plan, is the most sound and workable of the two proposals.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on

the Dondero substitute amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, in my opinion, the Dondero bill has back of it the recommendations of those who have in the past advocated sound financing in this country. I am for the Dondero bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, as a member of the Committee on Public Works, I had hoped I would have more time to discuss this important legislation. As I sat intently listening to witness after witness coming before our committee and talking about the great need for expanding our highways and about the thousands of people being slaughtered on the highways today, I did not know as much about that subject then, as I do today, because I just received word from home that my uncle and my aunt started out on a Sunday school class picnic with a group of their friends, started down one of these proposed interstate highways, a two-lane highway, and a group of young kids in a car trying to pass a truck hit them head on and killed them both. So, I say, as we stand here today we should be thinking more about the need of having adequate highways than we do about how we are going to pay for them. The American people have never failed to uphold the obligations of this country, and I do not believe they will in this program, and I do not think you can compare the American dollar with the spilling of blood of the American people. So, I urge you here today to pass a bill that has a chance of passing. I would have supported the Dondero bill, but I do not believe it would go through conference because of the action of the other body. I am supporting the Fallon bill, because I think it has a chance of becoming law. So, I say let us support the Fallon bill, let us go to conference with the Gore bill and pass this highway legislation this year, and at the end of the 12-year period we can say to the American people, A job well done.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I would just like to add one word. In all the weeks of hearings we had before the Committee on Public Works, the record was loaded with testimony of the governors of the States, and from all fiscal people of the country, that the President's plan, the Clay plan, encompassed in the Dondero bill, is a sound plan and will solve the problem of building highways. It will not cost the taxpayers more money in interest, because they will be able to keep their money in their own pockets and invest it wisely and well.

Mr. Chairman, I support the Dondero bill wholeheartedly.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think we all realize that regardless of how this program is financed, the public is going to pay the bill. If we finance this by a bond issue, it means we are going to be paying an extra \$11.5 billion, which is not necessary to be spent by anyone. This Clay plan merely offers a vehicle for a group of New York bankers to enrich themselves at the expense of the taxpayers. On a pay-as-you-go basis we can raise sufficient funds to build all of the highways that could possibly be built during any period. There is some excuse for borrowing money to make an investment on which you expect a later return and when you can expend all of the money at that time, but if you will refer to all of the figures given here, you will see that the pay-as-you-go plan as proposed in the Fallon bill is the best solution. While I might not agree with all of the schedules in that bill, I think it is probably the best plan that could be worked out at this time, and above all, I think we should pay as we go and not waste \$11.5 billion which would build many, many thousands of miles of highways, in order to satisfy the greed which is so typical of those who have come into this administration, through Dixon-Yates, and through other plans such as this. It is typical of the administration that it is trying to further enrich the wealthy people who have been financing this administration. I think it will be a tragedy to try to finance this program through a bond issue and have the taxpayers pay out \$11.5 billion to some group of Wall Street bankers.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I would like to call the attention of all the Members of the House to the fact that there is nothing in the Dondero bill that precludes the great Committee on Ways and Means from exercising their prerogatives on the 1st of January and levying the money or taxes on the American people to retire these bonds.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. JONES of Missouri. Will you not still have the interest on the bonds to pay?

Mr. GEORGE. Not if you retire them, and more are not issued.

Mr. JONES of Missouri. You are still issuing the bonds and there is the expense of issuing the bonds.

Mr. GEORGE. It is a staggered issue and will not amount to much. If you want fiscal responsibility, it is in your hands. I will help you to bring it back to the country. I would gladly help you do that.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman.

Mr. McCARTHY. If the gentleman is serious in that proposition, would it not be better to have them go ahead and

finance these preliminary activities through regular Treasury operations and then have the Committee on Ways and Means do what they have to do? If they do not do that, if the Committee on Ways and Means fails to act, then the gentleman can propose this bonding operation.

Mr. GEORGE. I happen to be on the committee that passed out the Fallon bill. We have one substitute. I do not know what the procedure is going to be on the floor if those two bills are voted down. But I can guarantee one thing, that I will help any of the Members on that side who want fiscal responsibility. I will help them reduce the interest payment, if they are afraid of it. But they have never been afraid of it for 20 years; why should they be so concerned now?

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, again I want to call the attention of the House to the major defects in the Dondero plan.

First of all, it will cost the taxpayers actually more than the \$11.5 billion we have been talking about here. That was the figure on the most favorable report on the interest rate, under the most favorable conditions. Actually it will cost somewhere between \$12 and \$13 billion, according to other reports.

Second, the Dondero plan would provide for a complete freeze in the primary and secondary roads which serve 86 percent of the population of the country. We will not be able to expand during the next 30 years any Federal activity in this field in order to pay this exorbitant interest for that period of time. If anyone does not believe that, just look at the testimony before the committee.

Third, we would give up all control in the Congress over the way to regulate this program, give it to outside corporations over which the Congress would have no power.

Fourth, and mighty important, I would rather stand on the side of fiscal responsibility with the Comptroller General and with Senator BYRD, than with people like some of the governors that my friend the gentleman from New York [Mr. BECKER] supports so strongly.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, until this discriminatory Fallon bill was introduced, the trucking industry as a whole had been rather peaceful individuals. In fact, most of the executives in the trucking industry are former truck drivers. They came up the hard way. They started out with one truck and expanded as our economy expanded.

But in one respect this bill has been good for them. Mr. Chairman, the debate in the committee and the discussion

of the proposal have alerted this industry to their problem.

There are 7½ million people in the United States who derive their income directly from the trucking industry. Up until now they thought that they could let the Congress alone. They never bothered us. True, about a year ago, they sent everybody a nice desk pad with a little slogan on it that said, "You got it, the truck brought it."

That is so true. If you got it, the truck brought it to you. But they have trusted the Congress to pass legislation that would not put them out of business. Now that this discriminatory tax has been proposed, you have alerted a sleeping giant and I can assure you that between now and next year you will hear from this industry; 7½ million people, who have been affected, are going to be heard from.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have never been prouder of my party than I am right now. I rise to oppose the Dondero amendment and to congratulate the Members on my side who have had the courage of their convictions to try to put this Nation back on the road to fiscal responsibility. You have heard time and again here of intimidations and threats, "You are going to hear from this person and you are going to hear from that person."

I want to tell you, Mr. Chairman, that my party here is going on record that it is a party of fiscal responsibility, and despite the legerdemain efforts of those who take the opposite view, and I respect them, I cannot see how if you have to pay \$11.5 billion worth of interest that is in the interest of fiscal responsibility.

The Democratic proposition, if you please, which is opposed to the Dondero amendment, is the proposal of fiscal responsibility, pay as you go, call an ace an ace and a spade a spade. It is for that reason that I want to congratulate the leadership on my side of the aisle. I stand in opposition to the Dondero amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, it is remarkable this change that has taken place on the other side of the House. I listened attentively to my friend, the gentleman from Mississippi [Mr. SMITH] and listened to my good friends, the gentleman from Texas [Mr. PATMAN], and the gentleman from Florida [Mr. MATTHEWS] discussing fiscal responsibility. Where have you been for the last 20 years on your fiscal responsibility? Why, you did not know what fiscal responsibility was then nor do you now. When the agricultural program on flexible and rigid price support legislation was before the House I did not hear any talk about bringing in a companion bill to tax the American people to take care of the subsidy payments of several billions of dollars. Oh, no. Your fiscal responsibility ends when it comes to cotton, tobacco, peanuts, wheat, corn, soybeans, and all the other products on the subsidy program. Talking about fiscal re-

sponsibility, why did you not bring in a companion bill at the time to tax the people to pay for the subsidies on the things you are storing up to deteriorate and rot and go to waste? You well know that a companion tax bill to pay for the tremendous loss sustained would kill the program. The taxpayers would rebel, it would not be politically expedient, so let us hear no more about fiscal responsibility.

Most of you voted for the Mutual Security bill, for \$3.5 billion even though there was \$3,717,000,000 authorized but unexpended. You did not bring in a companion bill to tax the American people \$3.5 billion to pay for the program. You did not dare to because it would not pass the House. It is all right to legislate to spend and put off the day of payment but this companion tax legislation never occurred to you until this highway legislation was introduced.

Now all of a sudden you have become very practical and realistic. What a change. It is amazing. And we are charged on our side with fiscal irresponsibility, after you have built up a debt of approximately \$280 billion. There was not one of you for 20 years ever thought of bringing in a companion tax bill to pay for anything you have spent over a long period of years and now out of a clear sky you are assuming a grave attitude and you talk about fiscal responsibility. My, what a change.

You should have been thinking about fiscal responsibility back in the days when we had the NRA, the WPA, the PWA, the youth movements, the ballet dancers, and the goldfish swallows. There was no talk about tax bills to accompany those programs or about fiscal responsibility.

You should have been thinking about fiscal responsibility back in the days when they were converting young hogs into fertilizer, distributing the fertilizer to the farmers to increase the yield and production, and then plowed it under. You did not introduce companion tax bills to pay for these programs. No talk about fiscal responsibility. So, it comes with poor grace for anyone to talk about fiscal responsibility or irresponsibility after these colossal programs were carried on with no thought of tomorrow and the placing of the burden of debt and taxation on the generations that are to follow us. What a legacy to bequeath them.

That was back in the days when everything was spending, and now, suddenly, we hear about fiscal responsibility. Well, there is one way to stop these colossal programs of spending such as foreign aid and agricultural subsidy spending, and that is to talk about taxes. When a companion tax bill is introduced along with a spending program, very few programs will get by this House, the spending will stop, the budget will be balanced, and relief afforded the long-suffering American taxpayer who has been carrying the load. So it is encouraging after all these years to see this changed attitude.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, we are going to start today to get America out of the traffic jam or we are going to bog down this road program in legislative mud. Today we start a program to reduce highway accidents or to accelerate them—a program to speed up or delay the entire economic progress of this country. We vote to adopt the President's program or for no program at all.

We all recognize, as has been pointed out, that the Dondero bill is not hocus-pocus financing. I wonder if you gentlemen that use that term have ever heard of authorities, if you do not know that the bulk of the road and the bulk of the bridge programs in the more progressive States have been built and financed by authorities.

When you say this is financial irresponsibility, what you are saying in effect is that the Appropriations Committee and the Ways and Means Committee in the years to come cannot study the economic situation and the fiscal situation and determine how much of this bond issue can be liquidated year by year.

I submit to you again that if we are going to get America out of the traffic jam, we must have the Dondero plan passed. We have to have a commission operating. We have to have these road programs started. Any delay is going to be much costlier to the American economy than any interest charges which may accrue. Let us buy the roads we need on the installment plan and pay the bill as fast as we are financially able to pay.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. In these closing moments of the debate, I plead with my colleagues, both Republicans and Democrats, to stand by the President of the United States and support the President's program, which is the Dondero substitute. This program the President holds is sound and workable. Let me plead with both Republicans and Democrats to stand by their governors, most of whom have said they fear the Fallon bill because it will impose an additional 1 cent a gallon tax on gasoline. This gas tax revenue will be taken away from the States and thus deprive the States of money they well need to build secondary roads to the farms and urban roads in the cities.

Now I am going to say something to the Democrats which I, as a Republican, perhaps should not say. That lovable character, JOE MARTIN, once said to me, "Don't take on everybody all at once and fight everybody at the same time." I want to say to you Democrats that if you pass the Fallon bill in preference to the President's proposal you are penalizing the trucking industry of this country and all the employees of that industry. You are penalizing all the people who are operating the trucks. There were 100 telegrams on my desk today and maybe as many on each of your desks protesting the 15 cents a pound tax imposed on truck tires. You are offending the truckers who are being taxed 4 cents a gallon on diesel fuel. The Fallon bill places a \$300-a-year tire tax on the logging trucks and there are

tens of thousands of them in the Western States. Those log truckers have been voting the Democratic not the Republican ticket.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I cannot believe that 5 men who sat around the table for 4 months almost day and night and heard witnesses representing every interest in this country and the governors of the States, including such men as General Clay and David Beck, of the teamsters union, could make such a gross mistake and recommend to the American people a plan for the building of roads that is not sound. We will soon vote, in a few minutes, on whether we want to adopt this sound plan. In addition, the Secretary of the Treasury has been quoted here several times this morning. I heard all of his testimony and he told us whatever way we choose to do this job, the American people must pay the bill. If you take the bond plan, as provided in the bill before us, the job undoubtedly will be done sooner, in 10 years, even though we might pay interest, by spreading it over 30 years, more people and more car owners would help to bear the cost. If we do it under the Fallon plan, they must pay their money now and every year for the next 15 years in order to do the job. The Secretary said very frankly you could do it either way, but in the final analysis the people of the United States will pay for the roads. It is just a matter of commonsense. I think we ought to take the better way to do it and let the burden fall on more people and more car owners.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON] to close debate.

Mr. FALLON. Mr. Chairman, I am sure the taxpayers in the final analysis are willing to pay for this job that has to be done. But, under the provisions of H. R. 7474 they save \$11,500,000,000.

Talk about taking this money from the States, when this money is collected it goes to the States for an interstate system of highways.

The gentleman from Washington complained about this heavy tax burden on so few people. He voted for this bill when it was reported out of committee.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. In just a minute. I ask the gentleman if he is going to vote for H. R. 7474 if the Dondero bill is defeated.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. MACK of Washington. I stated yesterday and I state now that I propose to vote for the Dondero substitute because the President wants it and the Secretary of the Treasury says it is the best bill. I do insist that we must have a road bill even if we cannot get this one the President proposed.

Mr. FALLON. I may say to the gentleman and others who mentioned this morning the opposition from 7,850,000 truckers, that this is the greatest insurance policy that you can give a truck-driver, that when he leaves home in the

morning he will have more of a chance to arrive back safely at his home at night.

The CHAIRMAN. The time of the gentleman from Maryland has expired, all time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO], as amended by the Mack amendment.

Mr. DONDERO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. FALLON and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 178, noes 184.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) For national defense and other purposes, it is considered essential to provide for the early completion of a National System of Interstate and Defense Highways, which system shall be understood to mean a system of highways of primary importance to the national defense and economy and welfare of the Nation, and shall be the system referred to as the National System of Interstate Highways, authorized in section 7 of the Federal-Aid Highway Act of 1944, which act is hereby amended to substitute the term "National System of Interstate and Defense Highways" for the term "National System of Interstate Highways" wherever that term appears in that act or any other acts. When used herein the term "National System" shall be understood to mean the National System of Interstate and Defense Highways described above.

(b) For the purpose of expediting the construction, reconstruction, and improvement of the National System, including extensions, spurs, and distributing connectors thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of \$1,200,000,000 for the fiscal year ending June 30, 1957, the additional sum of \$1,500,000,000 for the fiscal year ending June 30, 1958, the additional sum of \$1,700,000,000 for the fiscal year ending June 30, 1959, the additional sum of \$2 billion for the fiscal year ending June 30, 1960, the additional sum of \$2 billion for the fiscal year ending June 30, 1961, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of \$2,300,000,000 for the fiscal year ending June 30, 1964, the additional sum of \$2,300,000,000 for the fiscal year ending June 30, 1965, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of \$2 billion for the fiscal year ending June 30, 1967, the additional sum of \$1,200,000,000 for the fiscal year ending June 30, 1968, and the additional sum of \$1,200,000,000 for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any

State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

(c) Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for 2 years after the close of the fiscal year for which such sums are authorized: *Provided*, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary for the improvement of specific projects under this section.

(d) Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (c) of this section shall lapse.

(e) No funds authorized to be appropriated for any fiscal year by this section shall be apportioned to any State within the boundaries of which the National System may lawfully be used by vehicles with any dimension or with weight in excess of the greater of (1) the maximum corresponding dimensions or maximum corresponding weight permitted for vehicles using the public highways of such State under laws in effect in such State or regulations established by appropriate State authority effective on March 1, 1956, or (2) the maximum corresponding dimensions or maximum corresponding weight recommended for vehicles operated over the highways of the United States by the American Association of State Highway Officials in a document published by such association entitled "Policy Concerning Maximum Dimension, Weights, and Speeds of Motor Vehicles To Be Operated Over the Highways of the United States" and incorporating recommendations adopted by such association on April 1, 1946. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions of this section shall be reapportioned, in the same manner as provided in paragraph (b) of this section, to the States which have not been denied apportionments pursuant to such provisions: *Provided, however*, That nothing herein shall be construed to deny apportionment to any State allowing the lawful operation over the public highways within such State of any vehicles or combinations thereof that could be operated lawfully over the public highways within such State on March 1, 1956.

(f) The Secretary is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems and, after the conclusion of such tests, but not later than March 1, 1958, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Page 4, line 11, through page 6, line 4, strike out all of subsection (b) and insert in lieu thereof the following subsection:

"(b) For the purpose of expediting the construction, reconstruction, and improve-

ment of the National System, including extensions, spurs, and distributing connectors thereof through, within, and into urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of \$600 million for the fiscal year ending June 30, 1957, the additional sum of \$750 million for the fiscal year ending June 30, 1958, the additional sum of \$850 million for the fiscal year ending June 30, 1959, the additional sum of \$1 billion for the fiscal year ending June 30, 1960, the additional sum of \$1 billion for the fiscal year ending June 30, 1961, the additional sum of \$1,100,000,000 for the fiscal year ending June 30, 1962, the additional sum of \$1,100,000,000 for the fiscal year ending June 30, 1963, the additional sum of \$1,150,000,000 for the fiscal year ending June 30, 1964, the additional sum of \$1,150,000,000 for the fiscal year ending June 30, 1965, the additional sum of \$1,100,000,000 for the fiscal year ending June 30, 1966, the additional sum of \$1 billion for the fiscal year ending June 30, 1967, the additional sum of \$600 million for the fiscal year ending June 30, 1968, and the additional sum of \$600 million for the fiscal year ending June 30, 1969. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the estimated cost of completing the National System in each State bears to the estimated total cost of completing the National System in all of the States and the District of Columbia as set forth in the computations compiled by the Bureau of Public Roads on pages 6 and 7 of House Document No. 120, 84th Congress: *Provided further*, That the Federal share payable on account of any project on the National System provided for by funds made available under the provisions of this section shall be increased to 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project."

Mr. WRIGHT. Mr. Chairman, the amendment I have offered is an effort to restore a sense of responsibility, restraint, and moderation to this road-building program. I am fully aware that we do need improvements in this very limited system of interstate roads. Yet at the same time, Mr. Chairman, we need similar improvement in the other 99 percent of the roads all over this country.

The effect of this amendment would be to cut in half the very, very abrupt increase that is provided in H. R. 7474 for the very limited interstate system of highways. Where the bill appropriates an average of \$2 billion annually for the interstate system, my amendment would reduce this to an average of \$1 billion annually.

The purpose of this amendment is to scale down this very abrupt 8,000 percent increase and permit the conference committee to moderate the abrupt tax increases proportionately and still have a pay-as-we-go program.

Twenty-four billion dollars, Mr. Chairman, is a very appreciable amount of money. Let us see what it buys. It buys improvements on these roads, and

I wish every Member of the House would look at this map, which I hold in my hands, and see what a very, very small percentage of the overall road needs of our country would be supplied by this bill which sets two-thirds to three-fourths of all Federal highway funds on that extremely limited 1 percent of the roads.

It is true that these roads are some of the most important roads in the country and carry more traffic proportionately than the others. And yet, at the most, they carry only one-seventh of the motoring traffic of this Nation. This bill asks us to place two-thirds to three-fourths of all Federal highway funds upon that system. My amendment, I think, would bring the overall program into better balance.

It is obvious, Mr. Chairman, that we cannot spend the kind of money involved in the Fallon bill without very radically increasing taxes. I fully agree that those who profit most from the use of the roads should assume their full proportionate share of the cost. Let us make no mistake about it, however. Those excise tax increases, abrupt as they are, will find their way into the pocketbooks of the average American for whom we are not providing in this interstate system the kind of roads that he will find serviceable and frequently usable.

Approximately \$650 per family will go under the Fallon bill to pay for this very little stretch of road. Therefore, I suggest in the interest of restraint and moderation that we trim it back to half that amount so that we can then trim back the very sudden increase in taxes; 50-percent increase in the Federal gasoline tax, 100-percent increase in the diesel tax, 200-percent increase in the tax on larger tires. These are not negligible increases, and I believe they should be more moderate.

My amendment would still permit the most dynamic and the most constructive highway building program that has ever been undertaken in the entire history of the United States or perhaps of any nation on the face of the earth.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. SCHERER. Was not the uncontradicted evidence before the Committee on Public Works to the effect that the density of traffic on the interstate system is 14 times that of the average density on all the other systems?

Mr. WRIGHT. Obviously, since this 1 percent of the roads carries 14 percent of the traffic, I think that is true. Still, one-seventh of the traffic does not deserve three-fourths of the Federal funds. I am inclined to think we should build a road program of which we can all be proud, a program for all Americans, for all of the average Americans, the farm folks and the small town folks and the suburbanites who do most of their driving on city streets and all the rest. I think this amendment brings it better into balance.

In last year's appropriation we appropriated \$25 million for the interstate highways. This bill as it comes out of

committee would increase that by an average of 8,000 percent, and there are very serious questions as to whether that sudden an increase can be accomplished without serious inflationary dislocations.

Mr. THOMPSON of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.
Mr. THOMPSON of Louisiana. I want to congratulate the gentleman on his statement and commend him for giving the House a real, practical solution for the situation in which we find ourselves. I want to say again that his amendment will still provide a 4,000-percent increase in the expenditures on this Interstate Highway System.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Florida.

Mr. CRAMER. Is it not obvious that the reason the gentleman from Louisiana [Mr. THOMPSON] is so much in favor of the gentleman's proposal is that it comes in by the back door and does what the House refused to do yesterday, that is, accept the Thompson bill?

Mr. WRIGHT. On the contrary. We did not have a fair chance yesterday, since those on the Republican side of the aisle were then obviously bound by caucus agreement. I hope that agreement will not apply against this amendment today.

Let me say that I offered this in committee and it was not accepted, although some of us went along with it. In fairness I must tell you that. But I took the position that the whole House should have an opportunity to vote for a highway bill carrying an increase but a less radical increase. I think we are going too far too fast, and that a nation no less than a family must learn to live within what it can afford to spend. I think this amendment provides a very constructive manner of solving this highway problem.

Moreover, I am convinced that a moderate bill of this type can be enacted and can give us a highway program. I predict that the Fallon bill, if not amended in this fashion, will not pass this body but will be rejected.

Mr. FALLON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman was considered in committee and defeated by the committee.

We are not jumping into this thing in a hurry. This has been studied by the governors and highway commissioners of all the States. It is their recommendation that this work be done. It is their recommendation and estimate of the cost. It is also the recommendation of the Clay committee, who studied this problem, along with the other groups. Our committee is not setting ourselves up as experts on how it should be done or how swiftly it should be done. We are taking the advice of these people, who have given this years of study. That is the reason we come out with this particular number of miles at an estimated amount of money. The gentleman's amendment will not do the job. It will do only half the job. To complete a job half done will cost twice as much

as if you do the whole job at one time.

Mr. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sure my good friend, the gentleman from Texas [Mr. WRIGHT], did not want to mislead the Congress when he made the 8,000-percent statement. It is true it is 8,000 percent above the \$25 million we are now appropriating or have been appropriating on the Interregional System, but the record before our committee shows that some States are spending as much as 50 percent of their total road funds on this system at the present time. So when you say 8,000 percent, it is 8,000 percent of practically nothing, it is not 8,000 percent of what we are now doing throughout the United States on the principal highway system of the United States.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GEORGE. I yield to the gentleman from Texas.

Mr. WRIGHT. I did not intend to lead anyone wrong. I said it would be an 8,000-percent increase in the amount federally appropriated for that system last year, \$25 million. Two billion dollars is 80 times that, or 8,000 percent increase.

Mr. GEORGE. But the evidence before our committee showed that some States, in many instances, were spending as much as 50 percent of their total money in constructing this system now, and if this program now proposed in the Fallon bill goes through, those States will be relieved of that burden and only have 10 percent of the program to pay. So they will have the money they are now spending on this system to go out on the other roads in their States.

Mr. WRIGHT. The gentleman will agree, will he not, that that at best is a presumption?

Mr. GEORGE. No, I will not agree that that is a presumption.

Mr. WRIGHT. We are assuming that that is what might happen.

Mr. GEORGE. I am sure it will happen because local pressure will see that it does.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Texas a question?

Mr. GEORGE. I yield.

Mr. GROSS. Do I understand your amendment cuts out the tax increases in the Fallon bill?

Mr. WRIGHT. It is not possible to cut it out under the rule that was adopted, I will say to my friend, the gentleman from Iowa, but it does do this—by limiting, by cutting out half of this excessive, additional money set aside for the interstate system, it will permit the conference committee to trim down those taxes because this more abrupt tax increase will no longer be necessary.

Mr. GROSS. But that has to be left to the conference in order to do that?

Mr. WRIGHT. I agree with the gentleman that is the only recourse open to us at this moment; if we wish to trim down the abruptness and excessive increase going on overnight, this is the only means I see open to us at this moment.

Mr. GROSS. So that if we vote for the Fallon bill, we are still voting to increase the various taxes.

Mr. WRIGHT. There will surely be some increase, I think that is true. I am inclined to think that there should be—if we increase funds we should have the honesty to increase the taxes. But my position is, may I say to the gentleman, that I just do not think we want to increase it that abruptly.

Mr. GEORGE. I did not intend to give the gentleman an extra 5 minutes on his amendment.

Mr. JONES of Alabama. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. WRIGHT]. I do so for this reason. The road bill is handled by the House biennially. Next year the Committee on Public Works in the performance of its duties will report a road bill. The funds of \$1 billion made available will be sufficient for us to get the interstate program well underway. It will also reserve for the House an opportunity to observe the success of the program. There is no need for rushing into a program of the proportions that are asked for in the Fallon bill of some \$24 billion. We must approach a road program with the hope of getting some uniformity of construction for if we are going to appropriate three-fourths of the total sum—if we appropriate \$24 billion for 40,000 miles of roads, the next question which would normally come to our minds is—what is to be done for the other categories of roads amounting to 720,000 miles of roads that are eligible to be the beneficiary of Federal assistance? Through this method of reducing them to \$1 billion, it means we can carry on concurrently a progressive road improvement program and see that the proper amounts are expended on the secondary, urban and primary roads.

What would happen if we construct these superhighways? It is going to place a tremendous burden on the States to provide access to those highways. Those of us who have been on the committee realize that the 20 percent that can be transferred from one category of roads to the other is not going to be sufficient for the States to carry out the matching program to the extent of bringing unity in the road-construction program.

The gentleman says this approach to the problem is entering by the back door. I do not think it is a back-door approach, but if it is, it is the proper entrance to the house, for \$1 billion a year is exactly 4,000 percent more than we provided in the 1955 Highway Act.

I hope the Committee will see fit to accept this amendment. In subsequent years, if the program needs accelerating, certainly it can be the business of the Committee on Public Works to look into the situation and recommend remedial legislation.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. POAGE. I am going to vote for this amendment, but even if this amend-

ment is adopted how are we going to increase our road construction 4,000 percent? In my hometown there is a cement mill, yet they are selling Mexican cement in Waco, Tex., today because they cannot get enough cement from American mills. How are we going to get the necessary cement and other materials necessary to carry out this tremendous program?

Mr. JONES of Alabama. The gentleman will remember the testimony before the committee in which we were given assurance that materials would be available to carry out such a program as well as the additional personnel required.

Mr. POAGE. It is true representatives from various industries concerned appeared, but in my opinion they did not show us how we could do it.

Mr. FALLON. I do not recall that there was firm assurance that all the material and personnel would be furnished.

Mr. POAGE. What was the gentleman's impression?

Mr. JONES of Alabama. If the Wright amendment prevails it will mean we will have a deficit above present excise taxes of approximately \$400 million. If we insist on the full amount in the Fallon bill, it will mean that we will run deficits over a period of time of approximately \$900 million annually.

Mr. Chairman, this is a good amendment, and I hope it will prevail.

The CHAIRMAN. The time of the gentleman from Alabama has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. WRIGHT].

The question was taken; and on a division (demanded by Mr. SMITH of Mississippi) there were—ayes 55, noes 115. So the amendment was rejected.

Mr. FRELINGHUYSEN. Mr. Chairman, at this stage of the debate many of us in this Chamber, or at least the spectators in the gallery, are in a state of some confusion. Most of us will agree that this Nation is in real need of a greatly improved highway system. Sharp disagreement has developed regarding the best way to accomplish this goal. Now it seems possible that no legislation will be enacted because of a failure to reach a reasonable compromise between various points of view. If this should occur, it will be because of political maneuvering.

As a Representative from New Jersey, I should naturally like to see an acceleration in our present effort to build more modern highways. The roads of our State are very heavily traveled—seven times more heavily than the national average. We need more and better roads and we need them quickly.

Despite my convictions on this point, Mr. Chairman, I find myself today in a real quandary. How should one vote on the various problems represented by the various amendments offered here today? How should one vote on the final issues to be presented when these amendments have been approved or disapproved?

Perhaps we should look to others for advice. In some cases my colleagues can turn to officials and friends in their own States. Many of us have had a variety

of suggestions from our constituents. Some of us have even heard from the governors of our States.

I would like to quote from a letter of July 25, written to me by Gov. Robert B. Meyner, of New Jersey. The Governor, I should point out, is a distinguished Democrat. His opinions on certain matters, nonetheless, appear of no great help to us here in Washington.

In his letter of July 25, Governor Meyner wrote:

It is my understanding that the Fallon Highway Act will be brought before the House of Representatives July 26, 1955. I am taking this opportunity to impress upon you the extreme urgency that a highway bill, favorable to New Jersey, be enacted before Congress recesses.

The Governor then pointed out why New Jersey, as a corridor State, has serious traffic problems. Unless New Jersey receives maximum assistance in providing the funds for an adequate transportation system, he continued, "the continued economic well being of this State will be jeopardized by the loss of industrial and residential expansion within its borders."

The Fallon bill, he pointed out, will provide New Jersey with considerably more Federal money than its taxpayers will have to contribute.

Governor Meyner concluded as follows:

I believe New Jersey will suffer greatly if Congress adjourns without enacting a highway bill. Your efforts on behalf of the Fallon bill, the Clay bill as expressed by the President or an amended version of existing bills so that New Jersey can receive aid for necessary and vital construction would be most appreciated by our 5 million citizens.

This astonishing advice, Mr. Chairman, if followed by three of us from New Jersey, would result in our voting for any proposal which may be made regardless of its specific provisions.

We should be in favor of any highway bill "favorable to New Jersey." The Governor attempts to straddle the issue by suggesting that any version of any bill would be favorable to New Jersey.

If no provision is made for bonds to insure reasonable financing, for example, we might still be expected to vote favorably. If unfair and iniquitous taxes are proposed to pay the cost of the highway program, we are nonetheless expected to vote favorably. So long as New Jersey gets Federal money regardless of how much it will receive or from where it comes, we would be for this legislation.

Despite his indiscriminate advocacy of any highway bill, Governor Meyner favors the Fallon bill. His advocacy of this bill seems all the more extraordinary because he outspokenly supported the President's highway program less than 3 months ago. On May 4 Governor Meyner was in Washington. He invited all the members of the New Jersey congressional delegation, including our two Senators to a conference. At that time he endorsed specifically the so-called Clay plan.

Later that same day Governor Meyner appeared before the Public Works

Committee. In his testimony, appearing on pages 372-375 of the committee hearings, he said that—

The Clay report offers us the best chance of solving this problem and I should like to urge upon you the consideration of the Clay report particularly that portion of it which provides for a greater recognition of financing the interstate roads.

We need good roads, and we must find some way to pay for them. It is doubtful, however, if we can accomplish these ends by blindly supporting any kind of a highway program. Advice of that kind would seem to be against the best interests of the citizens of the Nation as well as the residents of New Jersey.

I shall support the President in his efforts to secure a more adequate highway program for the Nation. Although I have serious reservations about the Fallon bill, I shall, if necessary, even support this approach so as to secure better roads.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The balance of the bill follows:

Sec. 3. Not more than 20 percent of the respective amounts apportioned to a State for any fiscal year from funds made available for expenditure under clause (a), clause (b), or clause (c) of the first section, or from funds authorized to be appropriated under section 2, may be transferred to the apportionment made to such State under any other of such clauses or under such section, except that no such apportionment may be increased by more than 20 percent by reason of transfers to it under this section: *Provided*, That such transfer is requested by the State highway department and is approved by the Governor of said State and the Secretary as being in the public interest: *Provided further*, That the Federal share payable on account of any project provided for by funds made available by transfer under the provisions of this section shall not exceed 50 percent of the costs thereof, including the costs of rights-of-way, except that in the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of the total area: *Provided further*, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1957, through the fiscal year ending June 30, 1968, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: *And provided further*, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to subparagraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

Sec. 4 (a) As a partial means of providing an increase in general fund revenue to the Treasury with which to finance the program relating to highways and to realize the general benefits which will result from an adequately improved highway system as authorized by this act, the Internal Revenue Code of 1954 is amended as provided in the following subsections of this section, effective at the time and for the periods specified in such subsections. It is the intent of Congress

that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

(b) (1) Subsection (a) of section 4041 of such code (relating to tax on diesel fuel) is hereby amended by striking out "2 cents" and inserting in lieu thereof "4 cents."

(2) Subsection (b) of such section (relating to special motor fuels) is amended by striking out "2 cents" and inserting in lieu thereof "3 cents."

(3) Such section is hereby amended by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on fuels described in subsections (a) and (b) sold for use or used other than as a fuel for the propulsion of a vehicle used on the public highways shall remain at the rate in effect on the day prior to the enactment of the National System of Interstate and Defense Highways Act of 1955.

"(d) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a), (b), and (c)."

(c) Section 4061 (a) (1) of such code (relating to tax on trucks, truck trailers, buses, etc.) is amended by striking out "3 percent" and inserting in lieu thereof "10 percent" and by striking out "April 1, 1956" and inserting in lieu thereof "July 1, 1971."

(d) Section 4071 of such code (relating to tax on tires and tubes) is hereby amended to read as follows:

"Sec. 4071. Imposition of tax.

"(a) Tax on tires and tubes: There is hereby imposed upon the following articles, which are wholly or in part of rubber, sold by the manufacturer, producer, or importer a tax at the following rates:

"(1) Tires which are more than 8½ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(2) Tires which are more than 7¼ inches in cross section and more than 18 inches rim diameter and are of the type used on articles taxable under section 4061 (a) (1), and are not taxable under paragraph (1), 8 cents a pound; except that on and after July 1, 1971, the tax shall be 5 cents a pound.

"(3) Other tires, 5 cents a pound.

"(4) Inner tubes for tires taxable under paragraph (1), 15 cents a pound; except that on and after July 1, 1971, the tax shall be 9 cents a pound.

"(5) Other inner tubes for tires, 9 cents a pound.

"(6) Under regulations prescribed by the Secretary or his delegate, the tax on tires described in paragraphs (1) and (2) sold for use on a vehicle which will not be used on the public highways shall be 5 cents a pound, and the tax on inner tubes described in paragraph (4) sold for such use shall be 9 cents a pound. The preceding sentence shall not apply to tires and inner tubes sold for use in the manufacture or production of, or as a component part of, a vehicle.

"(b) Tax on camelback: There is hereby imposed upon the sale before July 1, 1971, by the manufacturer, producer, or importer of camelback with a crown width of 6 inches or more, a tax of 15 cents a pound. For the purpose of this subsection, "camelback" means rubber of the type used in recapping or retreading tires.

"(c) Determination of weight: For purposes of this section weight shall be based on total weight, except that in the case of tires such total weight shall be exclusive of metal rims or rim bases. Total weight of the articles is to be determined under regula-

tions prescribed by the Secretary or his delegate."

(e) Section 4081 of such code (relating to tax on gasoline) is hereby amended to read as follows:

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, I expected to offer the following amendment to H. R. 7474:

Insert on page 11, line 8, after the word "sold", "other than through its own retail store or outlet"; and

Insert on page 11, line 9, after the comma the following word "importer", "or delivered by the manufacturer, producer, or importer to a retail store or outlet of the manufacturer, producer, or importer for the purpose of being sold by him at retail."

Under the rule granted for the consideration of this bill the amendment is not in order.

Mr. Chairman, the purpose of my amendment is to rid the bill of a feature which gives preferential tax treatment to the manufacturer, producer, or importer of tire and inner tubes over the independent retail tire dealer when he is in competition with the large manufacturer at the retail level. This tax discrimination against the small-business man works in the following manner:

Since 1941 the Internal Revenue Code—section 4071 of the Internal Revenue Code of 1954—has imposed an excise tax upon tires and inner tubes sold by the manufacturer, producer, or importer.

The Treasury Department has collected this excise tax at the time of passage of title of the tire or tube. This has resulted in putting the independent tire dealer at a competitive disadvantage with the manufacturer's retail-owned outlet. With respect to the manufacturer's retail-owned outlet, the tax is not collected until the sale to the ultimate consumer. With respect to the independent outlet, however, the tax must be collected at the time of the independent's purchase of the tire and tube from the manufacturer. Accordingly, the independent dealer must carry the tax on his own or borrowed capital, pending the sale of the tire to the consumer, whereas the competing retail outlet of the manufacturer is not subject to the tax until he sells the tire to and collects the tax from the consumer.

Efforts have been made by the House Small Business Committee to rid the excise tax upon tires and tubes of this discriminatory feature.

On July 11, 1946, when I was chairman of the House Small Business Committee I wrote to Mr. John Snyder, Secretary of the Treasury, calling the Secretary's attention to this discrimination. My letter concluded:

Under the circumstances, Mr. Secretary, it does not seem just to me that competing dealers among independents should be forced to pay this excise on their stocks at time of purchase while company-owned stores are not required to pay until sales are consummated. There should be no distinction. It

appears to me, therefore, that tire manufacturers should be subjected to the same requirements as those demanded of independent tire dealers.

Although long due, no corrective action, however, has been taken. The present bill, H. R. 7474, introduced by the gentleman from Maryland [Mr. FALLON] would not only continue this discrimination but would also increase its burden because of the higher tax upon tires and tubes and because for the first time the tax is imposed upon recapped or retreaded large tires.

While the higher tax is justified upon the basis of our highway needs, there can be no justification for allowing such a tax to give a substantial competitive advantage to the large integrated rubber companies over the small independent retail-business man.

This discriminatory tax burden which has been imposed upon the independent dealer is not an insignificant burden to the small-business man. The tax on popular large size truck tires alone is approximately \$12. With a monthly inventory of 100 tires, the small dealer would have to carry a tax of \$1,200 from the time he purchased the tires from the manufacturer until he sold the tires to the consumer. This substantial burden upon a small-business man may well mean that he will have to curtail or restrict his volume, which in turn could be picked up by company stores and mass chains who have ample capital and who do not have to carry the tax since it is not imposed upon them until the sale has been made to the consumer.

"Sec. 4081. Imposition of tax.

"(a) In general: There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of 3 cents a gallon.

"(b) Nonhighway use: Under regulations prescribed by the Secretary or his delegate, the tax on gasoline sold for use other than as a fuel for the propulsion of a vehicle used on the public highways shall be 2 cents a gallon.

"(c) Rate reduction: On and after July 1, 1971, the taxes imposed by this section shall be 1½ cents a gallon in lieu of the rates specified in subsections (a) and (b)."

"(f) (1) Subchapter F of chapter 32 of such code (relating to manufacturers' taxes) is hereby amended by renumbering section 4226 as 4227 and by inserting after section 4225 the following new section:

"Sec. 4226. Floor stocks taxes.

"(a) In general:

"(1) 1955 tax on trucks, truck trailers, buses, etc.: On any article subject to tax under section 4061 (a) (1) (relating to tax on trucks, truck trailers, buses, etc.) which, on the effective date of section 4 (c) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 2 percent of the price for which the article was sold by the manufacturer, producer, or importer.

"(2) 1955 tax on tires and inner tubes: On tires and inner tubes subject to tax under section 4071 (a) (1), (2), or (4) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, are held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 10 cents a pound in the case of tires described in section 4071 (a) (1), 3 cents a pound in the case of tires described in section 4071 (a) (2), and 6 cents a pound in the case of inner tubes. The tax shall

apply to tires and inner tubes held for sale on, or in connection with, other articles held by the manufacturer, producer, or importer of such other articles, and to tires and inner tubes held for use in the manufacture or production of other articles. The tax shall not apply to tires and inner tubes held for sale by the manufacturer, producer, or importer thereof, or to tires and inner tubes the sale of which will be subject under the provisions of section 4218 (a) (2) or 4219 to the manufacturers tax on tires and inner tubes.

"(3) 1955 tax on camelback: On camelback subject to tax under section 4071 (b) which, on the effective date of section 4 (d) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer, there is hereby imposed a floor stocks tax at the rate of 15 cents a pound.

"(4) 1955 tax on gasoline: On gasoline subject to tax under section 4081 which, on the effective date of section 4 (e) of the National System of Interstate and Defense Highways Act of 1955, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 1 cent a gallon. The tax shall not apply to gasoline in retail stocks held at the place where intended to be sold at retail, nor to gasoline for sale by a producer or importer of gasoline.

"(b) Definitions: When used in subsection (a), the terms 'dealer' and 'held by a dealer' have the meaning given them by section 6412 (b).

"(c) Applicability of section 6416: The provisions of section 6416 shall be applicable to the floor stocks taxes imposed by this section, so as to entitle, subject to all provisions of section 6416, any person paying such floor stocks taxes to a refund or credit thereof for any of the reasons specified in section 6416."

"(2) The table of sections for subchapter F of chapter 32 is hereby amended by striking out

"Sec. 4226. Cross references."

and inserting in lieu thereof

"Sec. 4226. Floor stocks taxes.

"Sec. 4227. Cross references."

"(g) Section 6412 of such code (relating to floor stocks refunds) is hereby amended to read as follows:

"Sec. 6412. Floor Stocks refunds.

"(a) In general:

"(1) Passenger automobiles and parts: Where before April 1, 1956, any article subject to the tax imposed by section 4061 (a) (2) or 4061 (b) has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after April 1, 1956, if claim for such credit or refund is filed with the Secretary or his delegate prior to August 1, 1956, based upon a request submitted to the manufacturer, producer, or importer before July 1, 1956, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to August 1, 1956, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund.

"(2) Trucks and buses, tires, camelback, and gasoline. Where before July 1, 1971, any article subject to the tax imposed by section 4061 (a) (1), 4071 (a) (1), (2), or (4), 4071 (b), or 4081 has been sold by the manufacturer, producer, or importer and on such date is held by a dealer and has not been used and is intended for sale (or is held for use, in the case of camelback subject to tax under section 4071 (b)), there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an

amount equal to the difference between the tax paid by such manufacturer, producer, or importer on his sale of the article and the amount of tax made applicable to such article on and after July 1, 1971, if claim for such credit or refund is filed with the Secretary or his delegate prior to November 1, 1971, based upon a request submitted to the manufacturer, producer, or importer before October 1, 1971, by the dealer who held the article in respect of which the credit or refund is claimed, and, prior to November 1, 1971, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to allowance of such credit or refund. No credit or refund shall be allowable under this paragraph with respect to gasoline in retail stocks held at the place where intended to be sold at retail nor with respect to gasoline held for sale by a producer or importer of gasoline.

"(b) Definitions: For purposes of this section—

"(1) The term 'dealer' includes a wholesaler, jobber, distributor, or retailer, or in the case of camelback subject to tax under section 4071 (b), includes any person who holds such camelback for sale or use other than the manufacturer, producer, or importer, thereof.

"(2) An article shall be considered as 'held by a dealer' if title thereto has passed to such dealer (whether or not delivery to him has been made), and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

"(c) Reimbursement of dealers: When the credit or refund provided for in this section has been allowed to the manufacturer, producer, or importer, he shall remit the applicable amount of the credit or refund, within 30 days after the date of allowance of the refund or notice of approval of the credit, to the dealer who has given his consent to the allowance of such credit or refund.

"(d) Limitation on eligibility for credit or refund: No manufacturer, producer, or importer shall be entitled to credit or refund under subsection (a) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed under this subsection."

"(h) Section 6416 (b) of such code (relating to special cases in which tax payments considered overpayments) is amended by adding at the end thereof the following new paragraphs:

"(4) Off-highway uses:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline)

shall be deemed to be an overpayment if the article in respect of which such tax was paid was, by any person, used or resold for use on or as fuel for the propulsion of a vehicle which will not be used on the public highways. This paragraph shall not apply in the case of tires or inner tubes sold or resold for use in the manufacture or production of, or as a component part of, a vehicle.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback)

and section 4226 (a) (3) (relating to floor stocks tax on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was, by any person, used in recapping or retreading a tire for a vehicle which will not be used on the public highways.

"(5) Use by municipal transit systems:

"(A) In general: The tax paid under section—

"(i) 4041 (a) or (b) (relating to tax on special fuels), to the extent such tax exceeds 2 cents a gallon,

"(ii) 4071 (a) (1) or (2) (relating to tax on tires), to the extent such tax exceeds 5 cents a pound,

"(iii) 4071 (a) (4) (relating to tax on inner tubes), to the extent such tax exceeds 9 cents a pound,

"(iv) 4081 (a) (relating to tax on gasoline), to the extent such tax exceeds 2 cents a gallon, and

"(v) 4226 (a) (2) or (4) (relating to floor stocks tax on tires, inner tubes, and gasoline) shall be deemed to be an overpayment if the article in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities.

"(B) Camelback: The tax paid under section 4071 (b) (relating to tax on camelback) and section 4226 (a) (3) (relating to floor stocks taxes on camelback) shall be deemed to be an overpayment if the camelback in respect of which such tax was paid was used or resold for use by a person regularly engaged in furnishing scheduled common carrier public passenger land transportation service along fixed routes if at least 75 percent of the mileage of said routes is within the incorporated city limits of municipalities."

(i) Section 6416 (c) of such Code (relating to credit for tax paid on tires, tubes, radios, or television receiving sets) is amended by inserting in paragraph (1) after "and inner tubes)" the following: "plus the amount of floor stocks tax paid by the person claiming the credit."

(j) The amendments made by this section, other than the amendment made by subsection (g), shall take effect on the first day of the first month which begins more than 10 days after the date of the enactment of this act.

Sec. 5. (a) In any case in which the Secretary is requested by any State to acquire any lands or interests in lands (including, within the term "interests in lands," the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any projects for the construction, reconstruction, or improvement of any section of the national system, the Secretary is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the act of Feb. 25, 1931; 46 Stat. 1421), if—

(1) the Secretary has determined either that such State is unable to acquire necessary interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

(2) such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 per centum of the costs incurred by the Secretary in acquiring such lands or interests in lands.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United

States and owned or held by railroads or other corporations.

(b) The costs incurred by the Secretary in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, and improvement of the National System apportioned to the State upon the request of which such lands or interests in lands are acquired and any sums paid to the Secretary by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways or shall be deducted from other moneys due the State for reimbursement under section 2 of this act and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the National System.

(c) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside 5 feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or such political subdivision thereof as its laws may provide, upon such terms and conditions as to such lands or interest in lands as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control excess, the outside 5 feet may be conveyed to it.

(d) Whenever rights-of-way on the National System are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

Sec. 6. (a) For the purpose of facilitating the acquisition of rights-of-way in the most expeditious and economical manner and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary is hereby authorized, subsequent to fiscal year ending June 30, 1956, upon request of the State highway department, to make available to the States, funds for acquisition of rights-of-way in anticipation of construction and under such rules and regulations as the Secretary might prescribe, in amounts equal to 10 percent of the funds apportioned and available to the State within any category of any system under this act, for said acquisition of rights-of-way for roads to be constructed within a 5-year period following the fiscal year in which such request is made on the same participation basis as provided by this act for any such system.

(b) In order to permit the initiation of this program for the national system at the earliest possible time, the Secretary, in addition to his existing authority to enter into contractual obligations, is authorized to make reimbursements or advances to the States for construction with respect to section 2 hereof, in an amount not to exceed \$500 million during the fiscal year ending June 30, 1956: *Provided*, That the funds expended hereunder shall be credited against sums apportioned to the State in which expended for projects under the provisions of section 2 of this act.

Sec. 7. (a) Subject to the conditions contained in this section, 50 percent of the cost of relocation of utility facilities necessitated by the construction of a project on the Federal primary or secondary highway systems or on the national system, including extensions thereof within urban areas, may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility: *Provided*, That in no such case shall the reimbursement on any project exceed 2 percent of the total approved cost of construction of such project.

(b) For the purposes of this section the term "utility" shall include publicly, privately, and cooperatively owned utilities.

(c) For the purposes of this section, the term "cost of relocation" shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

(d) Any utility required to relocate a facility in connection with projects undertaken pursuant to this act may, on the recommendation of the State highway department, be reimbursed for its share of the costs, as provided in paragraph (a) of this section. The Secretary is authorized to make such payments on the basis of an agreement approved by him, entered into between the State highway department and the utility, which agreement shall contain an estimate or an agreed price of the cost of relocation. In lieu of such agreement the utility may file with the State highway department a certified statement of the cost of relocation, subject to the approval of the State highway department. If approved by the State highway department, such statement shall be transmitted to the Secretary, with the final voucher for approval by the Secretary.

Sec. 8. It is hereby declared to be the sense of Congress that all segments of the Federal-aid highway systems should be improved to standards adequate to meet the needs of national defense and the national economy at the earliest practicable date. The Secretary is hereby directed to submit to the Congress not later than February 1, 1957, and annually thereafter, a report on the progress made in attaining the foregoing objective, together with recommendations with regard to the programs herein authorized.

Sec. 9. In addition to the purposes set forth in section 7 of the Federal-Aid Highway Act of 1944, there shall be considered in connection with the undesignated mileage of the national system the additional purposes of eliminating bottlenecks in the evacuation routes leading from target areas, as designated by the Administrator of the Federal Civil Defense Administration, and providing such lateral feeder and distributing routes as may be required to furnish maximum utility of the system. The Secretary shall include in the annual report called for under section 8 hereof a statement showing what designations have been made during the prior calendar year.

Sec. 10. All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive

service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

SEC. 11. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects in the National System authorized under section 2 of this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40) U. S. C., sec. 276-a).

SEC. 12. The Secretary is authorized to consider as part of the National System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on this system, whenever such road, bridge, or tunnel forms a logical segment of this system as presently designated or as may be hereafter designated. Where a road on which tolls are being collected is incorporated in the National System, the Secretary is authorized to approve connecting projects under this act to provide the necessary continuous system of highways: *Provided*, That agreement has been reached with the State prior to approval of any such project that (1) the section of toll road will become free to the public upon retirement of any bonds outstanding at the time of the agreement, (2) that all toll collections are used for maintenance and operation and debt service of the section of road incorporated into the system, and (3) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the system may be bypassed. Where a toll bridge or tunnel is incorporated in the National System, the Secretary is authorized to approve projects under this act approaching any such bridge or tunnel to a point where such project will have some reasonable use irrespective of its use for such bridge or tunnel.

SEC. 13. The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

"The term 'construction' means the supervising, inspecting, actual building, and all expenses incidental to the construction of a highway, including locating, surveying, and mapping, cost of rights-of-way, cost of relocation of tenants, cost of demolition of structures or removal of usable buildings to new sites, including the cost of such sites, and the elimination of hazards of railway grade crossings."

SEC. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place two positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the general schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce.

SEC. 15. So much of the first section and of section 2 of the Federal-Aid Highway Act

of 1954 as authorize appropriations for the fiscal year ending June 30, 1957, are hereby repealed.

SEC. 16. The provisions of section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to projects constructed pursuant to section 2 of this act.

SEC. 17. All provisions of the Federal-Aid Road Act of 1916, together with all acts amendatory or supplementary thereto, not inconsistent with this act, shall remain in full force and effect and be applicable hereto. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed.

SEC. 18. If any section, subsection, or other provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

SEC. 19. This act may be cited as the "National System of Interstate and Defense Highways Act of 1955."

Mr. FALLON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON:

Page 21, strike out lines 18 and 19 and insert "routes is within the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Page 22, beginning in line 4, strike out "the incorporated city limits of municipalities" and insert "the limits of a municipal commercial zone as prescribed by the Interstate Commerce Commission."

Mr. FALLON. Mr. Chairman, this is simply perfecting language to carry out the intent of the committee.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Maryland [Mr. FALLON].

The committee amendment was agreed to.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: Page 26, line 6, strike out section 7 and renumber the subsequent sections.

Mr. JONES of Alabama. Mr. Chairman, section 7 is the so-called utilities section of the bill and provides that States may be reimbursed for payments made to utilities for the relocation of their lines on public thoroughfares up to 50 percent of the cost, and not to exceed 2 percent of the project cost.

Now, here is the situation: Any State which now reimburses utilities for relocation does so in the amounts of Federal apportionment. This is a proper cost and charge under the present law which reimburses the States making those payments to the utilities up to 50 percent of the cost. This is the existing law. If the States do not want to pay for these utility relocation costs, they may follow such a course under the provisions of section 7 of this bill, which means that we are rewriting the property laws of the various States.

Mr. Chairman, we have heard various people espouse the cause of States rights, yet we deny that principle as affirmatively as it can be written in the English language if we adopt section 7 which would repudiate the principle of States rights.

The State of Alabama, my own State, does not provide for the reimbursement

to the utilities because the State acquires the use of the highways for the utilities under a contract. That contract specifically states that in the event of improvements to the highways or to the streets the utility will bear the cost of relocating its properties on the various rights-of-way.

We already have in existing law what is proposed here. If we write in a negative provision, it means every other State now not paying those utilities to relocate their lines will come to the Congress and say: It is a Federal responsibility and the Federal Government should bear the cost up to an amount of almost \$960 million.

Now, I believe it would be far better if we would leave the situation as it is now and let the States determine this question in their own State legislatures.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Florida.

Mr. CRAMER. In referring to the language contained in the bill, the section that the gentleman is objecting to, I call attention to page 27, line 12. I am just as concerned about the constitutional provisions protecting the States as anyone. It reads: "If approved by the State highway department." It is then that they may reimburse, and therefore it is permissive on the part of the States.

Mr. JONES of Alabama. But the gentleman knows, and I know, that those States not now being reimbursed for the relocation of utilities are going to come forward on the passage of this bill and insist on the repayment. Not a single highway director in the United States is for this provision, and every one of them when polled by the gentleman from Texas [Mr. GENTRY], wired back and said that they were emphatically opposed to section 7 of the bill. Those are the people down on the State level who are doing all this work, making the plans, the drawings. The scheme of the whole thing is in the States. Now, if you want to complicate the situation, and if you want to put the States at a great disadvantage, with great burdens, then keep in this section 7. It is not restricted just to the interstate roads; it applies to all the roads. It applies to the farm-to-market roads; it applies to the interstate system, the urban and the primary system.

Mr. ALGER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, lest we lose something here by default, I feel it necessary to speak up for those on our side who feel very keenly about this matter. I wish to share in what has been said by the preceding gentleman. I do not believe we should abrogate States' rights in this instance. I would like to call your attention to the additional minority views on page 39. I would also like to mention to you that in our hearings we learned that 15 percent of the interstate highway mileage is considered adequate, and it will not be necessary to move to a new right-of-way. Therefore, as to the utilities on the existing rights-of-way, 85 percent of the highways having to be relocated, those utilities can remain where they are. That is not in the mi-

nority views, and I want you to know that.

I would like to conclude simply by saying let us work this out at the State level where it is being very satisfactorily handled at the present time in view of all of the court of last-resort rulings.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Iowa.

Mr. JENSEN. The Members should understand that the REA power and telephones, the mutual telephone companies, big and little, the sewer systems of the towns, the water systems, and gas lines of the towns, big and little, as well as private utilities are affected very detrimentally if we strike this section from the bill. Private utilities are also owned by millions of people, so we are hurting a lot of people if we strike this section from the bill. This section is fair and right and proper, in my honest, studied opinion.

Mr. ALGER. I respect the gentleman's views, but I disagree.

Mr. DAVIS of Tennessee. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope the Committee will take a reasonable view of this situation. I have in mind a little telephone company in my district which serves a rural section, which makes it possible for a man in time of emergency to call a doctor, or get some kind of assistance. The utility in my own city is publicly owned and it may surprise you to know that of the 27,000 utilities in the United States, 15,000 or them are publicly owned and operated.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to my colleague from Tennessee.

Mr. PRIEST. May I say to the gentleman that he has expressed a view which I hold with reference to this particular proposal. I hope the Committee of the Whole will take a reasonable view of this language. In my own district, just outside of the corporate limits of Nashville, is a small utility water district that has suffered immensely in the last year or two because of the cost to the people of that little utility of moving most of their mains.

I associate myself with the gentleman in hoping that a reasonable view will be taken.

Mr. DAVIS of Tennessee. I thank my colleague.

Utilities affected by section 7 of H. R. 7474 are of all types—private ownership, public ownership, such as cities and towns, and cooperatives. Of the 27,000 utilities in the United States, more than half or 15,000 are publicly owned or cooperative. Of the 3,300 electric utilities nearly 2,900 are operated by municipalities, REA cooperatives or other public ownership.

Utilities operated by public ownership are nonprofit in nature. Their revenues come solely from rates or taxes. Any increase in their costs of operation must result in higher rates or higher taxes to be paid by citizens who have already paid their share of taxes for Federal-aid highway construction.

Utilities operated by private ownership are regulated by State public service commissions. The earnings of these companies are carefully scrutinized by the commissions and their rates adjusted up or down so as to permit not more than a reasonable return to the owners of the business. If costs increase because of relocating facilities on Federal-aid roads, the utilities will apply for rate increases in order to maintain a reasonable level of earnings. The National Association of Railroad and Utilities Commissioners have appeared before the Public Works Committee on several occasions in behalf of reimbursement of utilities and testified that they are concerned about the necessity of increasing rates to compensate for relocation costs.

Mr. Chairman, many have been insisting that this would abrogate contracts.

It has been contended by opponents of reimbursement that in some instances utilities occupy State roads under solemn, valid, existing contracts in which they agree to relocate their facilities at their own expense. If this is true, section 7 of H. R. 7474 will not affect such contracts because the Constitution and the courts of this land will not permit Congress to abrogate a contract. Both the utilities and their opponents state that State laws generally require utilities to pay for relocation expense. These laws result from the exercise of local police power and were developed in the days when roads were largely a matter of local concern—the so-called horse-and-buggy days when automobiles were just beginning to create traffic problems. The utilities state they are not seeking any change in the law applicable to State roads of the character to which these laws were intended to apply. They seek relief from being required to pay the entire cost of relocating their plant because of the construction of highways built under the Federal-aid road program in the interest of national defense and interstate commerce. The modern limited access, dual-lane road creates problems never contemplated when utilities placed their facilities in highway rights-of-way.

Mr. Chairman, so I plead with you that we take a very reasonable view of this situation because in many of the States it is provided that full costs shall be repaid on relocations. This only permits the Highway Commission to approve a 50-percent cost of relocation and in no case shall it exceed 2 percent of the total cost of the project.

Sometimes it is so easy to talk about utilities, but I repeat that in my own city our own distribution of all the utilities, water, gas, and electricity, is publicly owned. I say to you that in a great many cases little villages which have strained their credit to provide water and all that goes to make a finer community will be penalized to such an extent that in many cases they will not be able to survive, because if they had to spend \$8,000 or \$10,000 or \$25,000 to relocate lines because of this program they simply would not have the money with which to do it.

Mr. SCHERER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my colleague on the committee, the gentleman from Ten-

nessee [Mr. Davis], has stated the opposition to this amendment so well that I am not going to repeat what he has said except to say that there is an abundance of testimony before the committee which documents what he has said. I want to read to you the testimony of Mr. C. E. Houck, manager of the Huntington and Centre Telephone Co. in Pennsylvania. His testimony is typical of an abundance of testimony that was heard by the committee.

Mr. Houck represents a very small telephone company, the type of company that the gentleman from Tennessee [Mr. Priest] referred to. He pointed out that in a 12-month period his company was forced to borrow \$10,000 on two relocation jobs. This does not seem much, but when you consider that this sum of \$10,000 represented 30 percent of the total annual revenue of this company, it resulted in the company's being required to make an application for a raise in rates. Mr. Houck said this:

We cannot continue to absorb these costs over which we have no control. We are afraid that any more will put us out of business since we cannot keep raising our rates.

As the gentleman from Tennessee [Mr. Davis] pointed out, reimbursement does not apply only to privately owned utilities but also to the municipally owned utilities. The mayor of Jacksonville, Fla., in his testimony said this:

We are required to move our utilities and expend the local taxpayers' money in the amount of one million and a half to \$2 million, maybe in 1 or 2 budget years, which funds we do not have, and we will have no legal source for making these funds available. Our city is no isolated case.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. JONES of Alabama. Does the gentleman recall whether the gentleman from Jacksonville, Fla., who testified before the committee stated that he had endeavored to obtain legislation in the State legislature that would do the very thing he advocated before our committee?

Mr. SCHERER. I do not recall such testimony. If the gentleman says it is there, I assume it is.

Mr. JONES of Alabama. I asked a question. I do not recall whether inquiry was made along that line.

Mr. SCHERER. The fact is that most people think that utilities are going to bear these costs. We all know that this is an increased-cost item which the various utility-regulating bodies consider when they fix rates.

There is no question but that these increased costs will be passed on to the consumer and not to the utility. Furthermore, we are not doing anything in this bill or in this section which is different from the practice which is followed now and has been followed for many years. We must remember today, and as I say for many years, whenever a State provides reimbursement to a utility for reallocation costs, the Federal Government will match those funds. This section merely codifies existing

practices and existing law. In fact, it goes further and it limits existing practices and existing law because it limits to 2 percent the amount for which reimbursement can be made for each individual project.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. DEMPSEY. Is it not true that a State completely controls whether or not they will participate?

Mr. SCHERER. That is right, and I may say the gentleman from New Mexico [Mr. DEMPSEY] offered the amendment to this section which makes it necessary for the director of the State highways to request or approve this expenditure by the Federal Government. States rights are therefore protected.

Mr. DEMPSEY. No money can be paid unless the respective States themselves make the recommendation.

Mr. SCHERER. No money can be paid unless the State does that. Therefore, no States' rights are infringed upon.

Mr. DEMPSEY. I thank the gentleman.

Mr. SCHERER. It is usually popular to oppose utilities. In the past, as we all know, utilities have been a convenient whipping boy. There have been occasions when utilities, like all organizations and individuals, have required curtailment and chastisement.

Today, however, when one opposes utilities he is usually in opposition, as in this legislation before us, to the vast army of consumers of water, gas, electric, telephone and sewerage services. As we all know, utilities are completely regulated and their rates fixed by various governmental agencies in the several States. Even the money they are allowed to earn is controlled to a great extent by the Public Utility Commission of the State. There is no question but that the costs to be incurred in moving the gas, sewer and water pipes—the electric conduits and telephone poles in the rebuilding of our highways will be passed on to the consumers in increased rates. For this reason the National Association of the 48 State Regulatory Commissions has vigorously supported the principle of reimbursement for the cost of relocation both before the committee and by letter to you.

However, not all utility consumers will bear these costs—only those consumers of companies, big or small, whose facilities happen to be in the way of the rebuilding and widening of highways, or whose plant sits in the center of a cloverleaf intersection. These relocation costs are not for their benefit as utility consumers but are for the benefit of the highway user and the welfare of the country as a whole. These consumers and their companies must also pay their share of the highway improvement costs in user and other taxes. We must keep in mind that relocation costs bear no relation to the utility service provided. They, the consumers, pay twice.

Many small utilities, including municipally owned water companies, will not be able to stand the impact of relocation costs thrust upon them by this unusual extensive and un contemplated

highway rebuilding program. No one ever dreamed of such an extensive and colossal program as is now contemplated when utilities agreed in some States to pay relocation costs incident to normal highway changes. Large cloverleaf intersections, which require radical and costly utility changes, are for the general welfare and the costs should not be borne at the local level and by the consumers in the immediate area.

Now, it is argued that utilities are in the highway right-of-way by sufferance; that they pay nothing for the use of the right-of-way and ought to be grateful for the privilege. Some have inferred that if utilities press their claim for reimbursement in this legislation they might be thrown off the highways. Utilities are in the highways because water, gas, electric, sewerage, and telephone services are as important to the life and very existence of a home—of a community—as are any other commodities that are delivered to the homes of this country over our highways. In fact, particularly in the cities, it would be practically impossible to bring these services to the people except through the street. That is what streets and highways are for.

The fact is that no one pays for the actual use of the public rights-of-way. This use is free. As an example, the coal company which delivers coal to my home has the free use of the right-of-way. No one can stop this company. True it is that the coal company along with others by the payment of certain user taxes provides for the improvement of that right-of-way. That is, they pay for the pavement which is necessary to the operation of the vehicle in order to bring coal to my house.

Now, on the other hand, you may heat your house with gas. The gas company most likely is a private company just like the coal company. Both are businesses to make a profit. The gas company, like the coal company, has and should have the free use of the right-of-way. The coal company, as I have pointed out, helps pay for the pavement which is necessary for the delivery of its product. The gas company pays for its pipe which is its "pavement" for the delivery of its products. If the gas company gets more customers and, as a consequence, must enlarge and replace its pipe, it must pay for it. If in so doing it is necessary to tear up the pavement of the highway it must replace it and bear the costs. Now if the highway becomes inadequate to carry all the coal and other trucks, it must be rebuilt and enlarged. If, in so doing, a gas pipeline must be moved, should not the company be reimbursed for the cost of moving it? It is just as simple as that.

In the Fallon bill a long list of persons and companies who use gasoline, diesel fuel, and tires are exempt from the additional taxes imposed because their particular vehicles derive no direct benefit from the new highways. Why should the utility consumer pay when he receives no benefit as a consumer?

It is further argued that the reimbursement of utilities will interfere with States' rights and contracts. The complete answer to this is that the Consti-

tution clearly would not permit legislation to abrogate valid and subsisting contracts.

We must remember that section 7 does not make the payment of this 50 percent for relocation costs mandatory. We must remember that these 50-percent reimbursement payments are made only when the individual State highway department approves. The practice now is and has been to provide Federal matching funds for those States which now consider utility relocation charges as part of the construction costs. This section codifies existing practices. In fact, it curtails those practices to some extent by limiting to 2 percent the amount that can be paid for relocation costs on each individual project.

For the foregoing reasons, it is my belief that the provision contained in section 7 for reimbursement of utility relocations is fair, equitable, and eminently justified in view of the tremendous impact of the highway program now contemplated. I hope it will be your pleasure to support the provision.

Mr. GENTRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great amount of information which conveys the wishes of the States or the feelings of the States in this matter, and I request unanimous consent that I be given permission to proceed for an extra 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, I am constrained to object, since I have served notice that I would do so and I am a man of my word.

Mr. GENTRY. Mr. Chairman, just what would this utility provision do? It is designed solely to get a great sum of money for the utilities, money that is badly needed by the Government for highways and many other things. It is to get money that the utilities are not now getting. It seeks to have the States, contrary to their expressed wishes, as was repeatedly testified to before our Committee on Public Works, to violate State laws which have legally been enacted by their legislatures to settle the problem of utility occupancy of public rights-of-way.

Also contrary to the wishes of the States, as was repeatedly and earnestly expressed before our Committee on Public Works, it seeks to have the States break the legal written contracts which they have made with the utilities at the utilities' request—as a result of which, the utilities have saved untold sums of money.

The utilities neither legally nor morally are entitled to 1 cent of money.

More than 99 percent of the money that would be given under this provision would go to companies not only not entitled to it, but companies that do not need it.

Now I have heard a lot said here about some small utility that someone thinks would be unduly burdened by this. Let me say this to you. The highway departments have employees in every county in this Union. If there is a small utility that is unduly burdened by

this program the highway department has the right, if it so desires, to help them. It should be remembered that when the States utilize any rights-of-way owned by the utilities, the utilities are paid in full.

This provision seeks to pay the utilities when they are not occupying their own rights-of-way but the rights-of-way of the States, rights-of-way paid for by taxpayers, paid for by the road user's money. This is affirmative action by Congress to permit the payment to utilities in violation of the utilities' own contracts to readjust their own facilities under these circumstances.

Most of all it should be remembered that this provision in this bill is here at the instance of the utilities; it is sponsored by the utilities; it is the utilities provision with a very big capital "U." This is nothing more nor less than a handout, a raid on a Treasury that can ill afford it.

Mr. Chairman, I now want to read several telegrams I received last Friday, and I ask that particular attention be paid to them, because I believe the Members are all interested. Here is a telegram from the highway department of Ohio:

Ohio State laws permit public utilities to occupy State highway right-of-way. But also require their being moved at no expense to the State if area they occupy is needed for highway construction or reconstruction. We strenuously object to proposal to reimburse utilities in such cases.

Here is one from the State of Utah:

We would earnestly protest the permissive utility provision in the final House draft in that it would concentrate pressure on State highway officials and cause an almost intolerable situation. Regardless of the patent raid on sorely needed highway funds that is being made by the public utilities, we strongly recommend a return to first principles that highway rights-of-way are intended primarily for highway purposes and that the above-named classes of public utilities should pay for any adjustment of plant made necessary by the improvement of the highways.

Here is one from Massachusetts, one of the old States of the Union:

Massachusetts has no agreements with any utilities relative to relocating their facilities when necessary highway improvements require. Such facilities are merely within our highway location by sufferance, and the utilities pay 100 percent of the cost for relocating the same. Massachusetts is strongly opposed to any legislation which would permit paying part or all of the costs for relocating utility facilities out of highway funds, Federal or otherwise.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GENTRY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GENTRY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his motion.

Mr. GENTRY. Mr. Chairman, here is a telegram from the State of California,

and I want you to listen especially to this one:

Great bulk California's utility problems are being resolved under terms master agreements with utility companies made possible by legislation 1951—section 707.5 California streets, highways code.

If Congress should include provision highway act payment to utilities out of highway funds it would destroy entire legal background and repudiate utility's contractual obligations thereby diverting million dollars from California's needed highway construction.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. GENTRY. I do not yield.

Mr. GROSS. Is that from the California highway commissioner?

Mr. GENTRY. And he is the president of the State Association of Highway Officials.

Experience in developing present working agreements leaves no room for doubt that situation would be practically hopeless if necessary reconcile existing laws and agreements and proposed Federal provision. I cannot too strongly recommend that this matter of utility payments be kept at State level.

Here is one from West Virginia:

State Road Commission of West Virginia does have written agreement with utilities providing for removal and relocation of utility facilities at the cost of the utility when required for road improvement. We also have a statute requiring utility to pay such cost and all court decisions of this State and opinions of our attorney general require that utility pay entire cost of relocation when they are within our right-of-way. Feel that proposal in Congress to pay utility out of highway funds in controversion of written agreements. Statute and court decisions would place undue hardship upon the highway program of West Virginia and would minimize benefit of any Federal aid we would receive.

Here is one from the State of Washington:

All utility facilities, public or private, located upon highway right-of-way are covered by written agreements which require their removal or relocation at holders' expense, when right-of-way is needed for highway construction or reconstruction purposes. State of Washington statutes require agreement holders to remove or relocate facilities upon highway right-of-way when so notified by director of highways at agreement holders' expense. We oppose the provision in the House Public Works Committee highway bill to reimburse the utilities for 50 percent of the utilities cost of relocating facilities from Federal funds and urge Congress to strike this provision from the highway bill.

Here is a telegram from the State of South Dakota:

Statutory provisions in South Dakota require utilities to obtain a permit to use right-of-way and on 90 days' notice they are required to move facilities at their own expense. I am very much opposed to utility-payment provisions in proposed Federal highway legislation.

Here is a telegram from one of the great States of this Union, the State of Pennsylvania:

In Pennsylvania if utilities are located on public right-of-way they must relocate their facilities at their own sole cost and expense. If utilities are located on private right-of-way Commonwealth reimburses for cost of relocation. By law utilities are authorized

to locate facilities within the limits of a highway where feasible. Pennsylvania Constitution prohibits use of motor-license funds (Pennsylvania highway maintenance and construction funds) for cost of relocating utility facilities located on public highways. Department of Highways of Commonwealth of Pennsylvania is opposed to any provisions which may provide for payment to utilities to alter or adjust lines existing on public thoroughfares.

Here is one from Oklahoma:

Oklahoma statutes provide utility lines may occupy public right-of-way but must move when requested by the State at their own expense. Our highway commission in special session yesterday unanimously adopted the following: "Oklahoma State Highway Commission in meeting this date unanimous in request that the permissive utility provision in the final draft of highway bill be deleted." Oklahoma Congressmen advised of commission action yesterday.

Here is one from the State of North Carolina:

This commission acting under State law has agreements with utilities by which they agree to readjust and relocate their facilities to permit needed highway improvement in consideration of using highway rights-of-way. This commission is very much opposed to the provision of the proposed highway act providing for reimbursement to utilities for moving their facilities where they are on highway rights-of-way.

Here is one from the State of New York:

State department public works requires written permit for all public utilities within State highway rights-of-way. All permits revocable. Permit form includes provision that installation must be relocated as directed by superintendent at expense of permittee if future highway work is affected. New York State opposes payment to utilities.

Mr. Chairman, I have similar telegrams from all 48 States of the Union.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Texas.

Mr. Chairman, we just heard the gentleman from Texas say that all 52 States are opposed to this provision. I did not know that we had that many States. I thought we only had 48.

In relation to his statement about the States, he should have emphasized that he was talking about the State highway departments. There is a considerable amount of doubt as to how the States stand on this amendment. I think you could make just as strong a claim that all 48 States favor the provision in the bill. The Association of Railroad and Public Utility Commissioners of the United States, representing 48 regulatory bodies, is on record in favor of the provision.

I would like to call attention to emphasize the situation that in my own State the highway commission favors this amendment, but the public service commission strongly opposes the amendment. The public service commission has to wrestle with this problem of utilities having to readjust the rates, because they have to recapitalize upon occasion when some of these relocation costs come to them in unexpected fashion, and these costs can come under this \$32 billion program that we are about to pass. The chairman of the Mississippi Public Service Commission says that he

favors the reimbursement relocation cost provision of the Federal highway bill. There is no question about the stand involved there.

There has been a lot of talk about the abrogation of contracts involved in this legislation. The Constitution still prevails above any type of legislation which we pass. The Constitution provides that contracts shall be honored.

Even though the Supreme Court has done a lot of things recently that we do not approve of, but they have not gone so far as to allow Congress to abrogate any valid contract, and no valid contract will be abrogated by this legislation. We are attempting in this legislation, with very severe limitations placed in it, to allow some of this great cost that will come to ease the burden upon any type of utility system. It is not a question of need; it is a question of justice.

The cost involved can, upon occasion, for a small general utility system, be so great that the entire system would have to be recapitalized and a new amortization base placed upon its services and its entire facilities. The amendment adopted in our bill would provide that no more than 2 percent of the cost of the project could be paid under these conditions, and under most conditions the cost would not be 2 percent, especially in regard to the small utilities for which we express concern.

The gentleman from Texas has read letters and a lot of other things about this provision. He compared these relocation costs with the situation in regard to private property on the question of relocation. When a man's private property is destroyed as a result of relocation, he is paid in full for that damage and not just 50 percent. These relocation agreements that have been made by utilities in regard to the existing highway rights-of-way did not take into consideration the type of program that would be in effect now in regard to this interstate system that will require such a large amount of new relocation.

This is not a matter of favor to the utilities. I think the record is very clear in regard to our past performance in the House of Representatives who have been the friends of the private utilities. This is the first time I have ever noticed the gentleman from Texas being on the opposite side of any private utility.

This is a matter of justice in regard to how any utility, whether it be the biggest corporation in the country or the smallest small-town utility in the United States, will be treated fairly in regard to this matter. Actually we are trying to decide here whether the utility rate payers will be the ones who will have to bear part of the cost of this highway program or whether we will accept the fact that this relocation matter is just another part of the cost, and we should keep it down within the severe limitations imposed in the bill so that the cost in regard to new relocation will be considered.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Texas.

The motion was rejected.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, much has been said here yesterday and today, about this section dealing with the relocation of utilities, which would probably make it look to some that this was an unethical or unfair provision. May I assure you that that is positively not the case.

In the first place let me explain just what this provision says. It provides that payments can be made under this section of not more than one-half of the cost of relocating their facilities and in no event can the payment exceed 2 percent of the cost of the highway project which necessitates the relocation.

The gentleman from Texas has said that 48—or even 52 States, 4 States which have not yet joined the Union—are in opposition to this provision. May I say this, that I think he would be more correct if he would say that the 48 highway commissioners of the States are in opposition to the amendment. And I am not surprised that they are.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman.

Mr. SCHERER. Does any State that does not want its utilities reimbursed have to take this money?

Mr. MACHROWICZ. No, of course not.

Mr. SCHERER. If the State does not agree, the utilities do not get it?

Mr. MACHROWICZ. Absolutely. May I say this: The highway commissioners are there to build roads. That is their primary duty. The railroad and the public-utilities commissioners are there to protect the interests of the rate payers. In practically all of the 48 States, as far as I know, there are none which have not approved the provision which is in this bill.

May I read a letter from the committee on legislation of the National Association of Railroad and Utilities Commissioners:

Whether these utilities are publicly or privately owned, the absence of reimbursement will mean that the rate payer—the user of the service—will be forced to pay for the relocation. If the user is thus overlooked, he will be paying twice for highways, once in taxes and again in utility rates. In addition, the burden will fall unevenly on those rate payers who by accident of location are in the path of proposed highways. Others deriving approximately the same benefit from such highways will escape the burden entirely.

The statement has been made that a provision for reimbursement would abrogate existing contracts between utility services and States in which they operate. Such an opinion cannot be supported, for the Constitution would not permit legislation to abrogate existing contracts. Furthermore, in view of the expanded highway program and changes in design and construction of highways, it would be highly inappropriate and inequitable to use arrangements made with States in the past, which were designed to meet entirely different conditions, as a bar to protection against this new and unlooked-for burden. The proposed legislation means simply that the Federal Government will recognize its obligation to pay a portion of the expense of relocation which it creates.

As has already been said, there are more than 27,000 utilities in this country, and more than 15,000 of them are either publicly owned or REA corpora-

tions. They are the ones that will be affected by this provision.

Nearly every family uses one or more utility services. Unless there is reimbursement, these users of utility services must contribute twice to Federal-aid highways—once in taxes and again in the rates paid for utility services.

There are over 27,000 utilities in the United States providing the services of water, electricity, gas, sewers, telephone, telegraph, and local transportation. In an average year only a small portion of these 27,000 utilities—and hence the users of these services—are affected by Federal-aid highways. The study conducted by the Secretary of Commerce, pursuant to Section 11 of the Federal-Aid Highway Act of 1954, showed that approximately 700 utilities, less than 3 percent, paid relocation costs of \$24 million. Thus, the users of utility services furnished by 700 companies were required to contribute \$24 million to Federal-aid highway construction which benefits all of the highway users of the country.

This is a matter we want to correct in this legislation.

Mr. Chairman, I believe that in the interest not of the utilities but of the utility users it is essential that this section be retained in the bill. This section differs from that which has been approved in the other body.

Mr. KLUCZYNSKI. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Illinois.

Mr. KLUCZYNSKI. I want to compliment the gentleman on his wonderful statement. I agree with it in every respect.

Mr. POAGE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I had hoped that I might find it possible to restrain my feelings and not to impose on your time in connection with this bill, but after hearing so many people get up here and bemoan the fate of the little REA cooperatives and the little rural telephone operations and the little, small towns, so many people from the big cities bemoaning what is happening to these little people in the rural areas, I felt I should express a contrary view.

I think this House knows I have been interested in REA for a long time. I believe this House will give me credit for having some interest in the rural telephone bill. I was the author of that bill here in the House and I want to see it succeed. I would not want this program to destroy it. I am sure the Members who have spoken are also interested in this program, but I do regret seeing those worthwhile institutions used as a cat's-paw to try to rake in a billion dollars for the big public utilities.

Everybody here knows that this proposal did not originate with any REA cooperative. It did not originate with any villages over this country; it did not originate with any rural people in this country.

I have been surprised to find so much sympathy poured out here by people, some of whom have been active in behalf of the REA, and some of whom have never expressed any interest in the world

in these little cooperatives, in these little people, heretofore. I commend the gentleman from Mississippi, who is about to rise, because he did not put it on that basis. I also recognize that the gentleman from Tennessee [Mr. Davis] represents a distinctly public-power area, and his position very correctly reflects the wishes and the desires of his people, but I am sure we have all noted the unusual enthusiasm with which these little cooperatives have been befriended this afternoon.

I wonder why we do not hear the same kind of sympathy expressed for the little man who is running a one-horse filling station out on some of these roads. He is going to find himself without any means of support when we move 85 percent of these highways away from him. But I did not hear a word about that man. I have not heard any sympathy for him.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Alabama, who so ably offered this amendment.

Mr. JONES of Alabama. The utilities that now occupy the rights-of-way do not pay any money to the States or local political subdivisions for the use of those utilities, so you are putting the Federal Government in the business of buying something that they do not want.

Mr. POAGE. That is right. We are putting the Federal Government into the business of destroying the 48 States of this Union and all of their rights. We are putting the Federal Government in the business of subsidizing a bunch of big utilities that do not need this subsidization. We are putting the Federal Government in the business for all practical purposes of forcing the abrogation of contracts which several Members have assured us that the Supreme Court would defend. We are putting the Federal Government in the business of taking care of a group of people who can well take care of themselves and of utterly ignoring a group of people who cannot take care of themselves. If you believe in State's rights; if you believe in fair play, you should vote for the Jones amendment.

I call attention to a further thing you are doing in this bill. With one breath we are crying out about these little utilities and about these little REA lines out in the rural area, up in the forks of the creeks, and which we are told are in such bad shape that we must take care of them and just incidentally of the big utilities. In the next breath we are by this bill taking a 2-cent-a-gallon gasoline tax that was levied for general revenue, as a war measure and therefore was made to apply to everybody; we are by this bill transferring it to a highway tax for the specific purpose of building highways, and we are levying it upon the motive power of agriculture, for the sole purpose of highway construction.

You might just as well levy a tax on the coal that the Consolidated Edison burns to make the power for New York City. You might just as well levy a tax on the coal that runs the United States Steel plants because it produces power.

Gasoline and diesel fuel produces 98 percent of all the power that agriculture uses and yet you propose to tax the motive power of a great industry and to give no refunds on two-thirds of the road tax we propose to collect—not 1 penny refund on that 2 cents that we now have for general revenue purposes which we are making into a special highway tax. I would like to see some of the concern that is being heaped on these little REA cooperatives expressed for the farmers who make up those cooperatives—the farmers who must under this bill pay such an unfair share of the cost of superhighway construction.

Mr. FALLON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 15 minutes.

Mr. GROSS. Mr. Chairman, reserving the right to object, the members of the committee have had 99.9 percent of all the time that has been spent on the floor on this bill. Does not the gentleman think that there are, perhaps, 2 or 3 or 4 other Members who might like to have just a minute or 2 or 3 or 4 to speak on this bill?

Mr. FALLON. I was just trying to arrive at a time to limit debate on this amendment only. Of course, we do not want to cut anyone off from speaking on the bill.

Mr. GROSS. But the gentleman suggested only 15 minutes.

The CHAIRMAN. The regular order has been demanded.

Is there objection to the request of the gentleman from Maryland [Mr. FALLON] that all debate on the pending amendment close in 15 minutes?

Mr. GROSS and Mr. JONES of Missouri objected.

Mr. FALLON. Mr. Chairman, I move that all debate on this amendment close in 20 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Texas [Mr. DIES].

Mr. MASON. Mr. Chairman, I have served notice that there will be no yielding of time to another Member. Therefore, I have to object, much as I hate to.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise in support of the Jones amendment. I would like to read a few telegrams that have been received. Here is one from Madison, Wis.:

All permits to utility companies to use right-of-way are subject to approval by the highway commission and are subject to the provision that the transmission line shall if necessary be altered at the expense of the applicant to permit alteration, improvement, or maintenance of the highway as may be ordered pursuant to law.

Highway commission of Wisconsin is categorically opposed to proposed provision in Federal Highway Acts which would require or permit utilization of Federal-aid highway funds to reimburse utility for alterations required in transmission lines occupying existing public highway right-of-way.

That is from the State highway commission of Wisconsin. Here is one from Topeka, Kans.:

Kansas is hopeful that the Congress will not pass utility legislation proposed in highway bills. This would conflict with States rights and use funds badly needed for highway construction.

Here is one from Louisiana:

We vigorously oppose use of highway funds to reimburse utility companies for relocation or adjustment of utility lines occupying highway rights-of-way.

Here is one from Florida:

Retel State Road Department of Florida requires written agreement with utilities by which they agree to relocate or adjust at their expense in consideration use of right-of-way. We do not feel Congress would include provision in Highway Act to permit payment to utilities in contravention of this policy.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I yield my time to the expediency of those who are cramming this bill through the House.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I represent, among other constituents, the city of Jacksonville, Fla., which owns most of the city utilities, electric, water, and other utilities in the area.

Recently a Federal highway was put through the city of Jacksonville, which illustrates the need for some sort of consideration for public utilities when moved for the convenience of the Federal highway program, because it cost the city a large sum which it has to pass on to its utility users.

Today nearly all, if not all, utilities are heavily regulated, so it is a question of the utility passing the cost on to the users. Mind you, this means passing on to utility users a cost which is of no benefit to them but which is properly and logically a highway expenditure.

Now, if the utility has agreed to assume the cost of its relocations when disturbed by highway relocation, then I think it should abide by such a contract; and I do not believe this legislation would interfere with that contractual and moral obligation. But if there is some defect in the legislation along that line—and I do not think there is—I think it can be corrected in conference between the House and Senate. I sincerely hope that this House will show that it realizes the moral obligation to make some reasonable provision for utilities relocation instead of placing the burden on the small utility user who has no benefit from the relocation.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, I wish to call the attention of the House to the fact that the gentleman from Texas, who used 10 minutes on this question a short while ago, is one of the eminent authorities in the House as far as highway departments, occupational procedure, and so forth, is concerned.

The gentleman from Texas [Mr. GENTRY] is a former director of the Texas Highway Department. He is also a former national president of the State highway officials organization. So, when the gentleman from Texas [Mr. GENTRY] makes a statement as far as it relates to operational procedures, as far as it relates to highway departments and public utility rights, or as it relates to any type of services concerned with highways, you are listening to an expert on the subject, and probably the greatest authority on the subject in the House as it is now constituted.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, this is just another place where the clever utility lawyers have shown their fine hand in drafting legislation. I know there are members of the committee who agreed for this to appear in there that just took it at its face value rather than to go to the trouble of reading some of the fine print. Actually, the more I read it the worse it gets.

Like the gentleman from Texas, I have had some experience with a State highway commission. I was chairman of the Missouri State Highway Commission for 3 years. I dealt with these utilities. We do not pay anything there in Missouri. Here is the catch in this bill, however. It involves States that have heretofore not paid anything because it says "may be paid from Federal funds whenever, under the laws of the State where the project is being constructed, the entire relocation cost is required to be borne by the utility."

Even in the States that did not want to pay out the money, you are making it possible through this for the Federal Government to pay half in a windfall to the utilities.

If we are going to build highways, let us build highways; let us not take tax money to fatten up anyone.

Another thing, you will find on reading this section where States can reimburse up to 50 percent using only Federal money, according to the way this is written, which would make it more conducive to reach into the Federal Treasury to enrich the utilities.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, I urge adoption of the amendment offered by the gentleman from Alabama [Mr. JONES]. As has been so well stated by my colleague, the gentleman from Texas [Mr. GENTRY], the proposal to reimburse utilities for the removal of equipment from rights-of-way should be left to the States.

The program which has heretofore existed providing for Federal aid for highway construction has proved successful as a partnership between the Federal Government and the States. It seems to me that any program we might enact here today should leave to the States as many of the required decisions as is possible, with the Federal Government setting only high standards for construction.

To insist on the provision which this amendment seeks to strike out not only results in an increased cost of construction, but goes toward the removal of a right which the States have always exercised in the past.

The following communication from the members of the State highway commission and the State highway engineer of the State of Texas so well point out that this proposal, together with the proposal that makes the program subject to the provisions of the Davis-Bacon Act, are unnecessary and constitute an invasion of the rights of the several States by imposing Federal authority over State laws on these subjects:

TEXAS HIGHWAY DEPARTMENT,
Austin, Tex., July 18, 1955.
Hon. HOMER THORNBERRY,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN THORNBERRY: In view of the fact that the House of Representatives will soon make its decision toward providing a solution of the acute highway problem confronting the Nation, we feel that we should direct your attention to two proposals presently embodied in pending legislation and which, in our opinion, should be deleted therefrom.

These proposals deal with reimbursement to utilities and the requirement that the construction of Federal-aid highways be subject to the provisions of the Davis-Bacon Act. These proposals will result in increased cost of construction, are unnecessary, and constitute a direct invasion of the rights of the several States by superimposing Federal authority over State laws on these subjects.

We, therefore, respectfully urge that you use your best efforts to delete these two proposals from pending legislation so that the full amount of Federal aid provided by the Congress can and will go into badly needed improvement of the Nation's highway system, and that the existing and successful partnership between the States and the Federal Government, under which the highway system of the Nation has been developed, will be preserved.

Sincerely,

E. H. THORNTON, Jr.,
Chairman, State Highway Commission.
MARSHALL FORMBY,
Member, State Highway Commission.
HERBERT C. PETRY, Jr.,
Member, State Highway Commission.
D. C. GREER,
State Highway Engineer.

PLAINVIEW, TEX., July 20 1955.
Congressman HOMER THORNBERRY, of Texas,
Washington, D. C.:

In highway bill under consideration we hope you can remove the Bacon-Davis labor requirement section and hope you can eliminate the unjust provision which would force Texas to pay utility companies for moving poles from our rights-of-way which utility companies are already using free of charge will appreciate your help in eliminating these two provisions of highway bill. Kind regards.

MARSHALL FORMBY,
Member, Texas Highway Commission.

Mr. Chairman, I hope that the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama [Mr. JONES].

I want to quote from a letter I received from the director of the depart-

ment of highways, State of Ohio, Mr. S. O. Linzell, in which he says:

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus voids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance that any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Chairman, I would like to ask the members of this committee how and why the public utilities are on the highway rights-of-way? They are there because they could put the facilities on the right-of-way without paying anything for that right-of-way. The highway department keeps the weeds and grass mowed, keeps the brush cut, maintains the right-of-way, and if they do not appreciate that, let them move out some place else and buy a right-of-way of their own, and then they will not be required to move off of it. I think we ought to leave things exactly as they are. I am in favor of the amendment offered by the gentleman from Alabama and shall so vote, and I think if we have the interests of the rank and file of our constituents at heart and are not afraid of the giant lobbies that infest this town, we will support the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, in making the awards to the States for highway construction, the money is given to the States and it is up to the States to make a decision whether or not they will approve in the contract the cost of relocation. If they do not approve it at the State level, the matter can never reach the Bureau of Public Roads here, because the Bureau of Public Roads does not do business with anybody under the basic law except the States themselves.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. FALLON] has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The question was taken; and on a division (demanded by Mr. MACHROWICZ) there were—ayes 125, noes 75.

So the amendment was agreed to.

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: On page 27, line 20, strike out "1957" and insert "1956."

Mr. CLARK. Mr. Chairman, this amendment simply moves up 1 year the report to Congress by the Secretary of Commerce. The Bureau of Public Roads are in agreement with this amendment. I hope it will be agreed to.

Mr. FALLON. Mr. Chairman, I rise to say that I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK: Page 8, after line 6 insert:

"Sec. 2 (G) (a) There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate and Defense Highway Finance Corporation. The Corporation shall be subject to the provisions of the Government Corporation Control Act.

"(b) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of 4 members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The 3 remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(c) It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the Interstate System, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the Interstate System under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act.

"(d) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed \$15 billion. Obligations issued under this subsection shall have such maturities, not to exceed 20 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations.

"(e) The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than

the Corporation. The Corporation is authorized to purchase in open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection."

Mr. JONES of Alabama. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill H. R. 7474, that it contains a reclassification act and is a violation of the Rerorganization Act, giving jurisdiction to the Committee on Post Office and Civil Service for the classification of employees.

Mr. HALLECK. I wonder if the gentleman would withhold his point of order until I can have 5 minutes to explain the amendment. Then we can dispose of the point of order.

Mr. JONES of Alabama. I will be glad to reserve my point of order, Mr. Chairman.

Mr. HALLECK. I thank the gentleman.

Mr. Chairman, of course, it is very obvious that we all think we need highways and we do not need them. By and large there have been two approaches. It has been pretty much all black and all white. One approach is that of the Eisenhower administration, the Clay Commission, covered in the substitute offered by the gentleman from Michigan [Mr. DONDERO], which would provide for the creation of a governmental corporation and the issuance of bonds. The Fallon bill, which is the committee bill, would not have any provision for corporate bonds, but would simply raise taxes to build the roads.

We had a very close vote on the Dondero substitute, and because there were 5, 6, or 7 votes difference between the 2, that evidences that we need highways, we want a highway bill, but it also evidences to me a very reasonable probability that we may wind up here without any highway bill at all. And I want a highway bill. To accomplish that, means some give and take.

May I say I offer this in all seriousness, and I hope you will understand just what the amendment does. I say I want to pass the highway bill. What does this amendment provide for? It retains the tax features of the Fallon bill. They are protected by the rule which was granted, and no one complains about that. So the taxes are left in the bill. But it also is in line with the language contained in the Fallon bill on page 9 in these words that—

It is the intent of Congress that, in addition to revenues presently available for such purposes, such increased revenues provided for in this act shall be devoted to the highway program herein authorized.

What this would do would simply be to add into this bill retaining the tax features a provision for the creation of the governmental corporation and the power to issue bonds. The amendment shortens the period of the bonds to 20 years. Personally I think that could be further reduced if this amendment is adopted. It reduces the amount to \$15 billion.

What would happen if it goes to conference and these two matters are fused, I say to my friends on the right, if you want a highway bill? It would simply

mean that the very considerable tax burden that is provided in the Fallon bill could be reduced. Then by resorting to the corporation bond feature, you could shorten the period on the bonds and hence reduce the interest that must ultimately be paid on the bonds, and thus bring about the construction of an accelerated highway program without too heavy a burden on the taxpayer and at the same time there would not be any degree of irresponsibility whatsoever.

The only argument I have heard against the bond proposal, and the only substantial argument was that there would be too much interest over this long period of time. Here is a way to shorten the period of time that the bonds would be outstanding. It is even provided that the bonds could be called in earlier. The term on the bonds and the interest to be paid would be governed as we might come out of the conference on this bill to the degree that the taxes will support them.

In other words, to my mind, it is a fair compromise. It is a solution that many have talked about as we have continued during recent months to try to work out a program. In my considered judgment, if this amendment should be adopted, it would assure the passage of a highway bill—a decent, equitable highway bill that would keep the doors open if we go into conference for the enactment of a sound, forward-looking highway bill that would do the job that needs to be done in the country. If this amendment is not adopted, I am convinced the Fallon bill will be overwhelmingly defeated. If it is adopted, I can support the bill. Others will support the bill and it can be passed and out of conference will come a good compromise bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. Exactly that proposal was made by me in the subcommittee of 9 which was appointed by our committee to see if we could work out a compromise and the idea was adopted by a vote of 6 to 3, but was later rejected by the full committee.

Mr. HALLECK. That is my understanding of what happened in the committee. This sort of approach at one time was very definitely suggested and approved. I still think it is a good proposal. It incorporates a measure of the President's program and of the Clay Commission's program, and it will make possible, as this measure goes through the legislative procedure, to work out a bill that can become law and will become law.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SMITH of Mississippi. I would like to make clear that the gentleman from Michigan is in error as to what was approved by the subcommittee. I was one of the members of the subcommittee. What the subcommittee approved had to do with Treasury bonds and no idea having to do with corporation bonds was approved by that subcommittee.

Mr. HALLECK. Of course, I was not at the committee meeting, but I have understood not only from the gentleman from Michigan but from others that this

approach was presented there and approved.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, may I be heard on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, as I read from the bill, there is language there which provides for the application of any increased revenues or any revenues to the highway program. In addition to that, the rule specifically made in order the Dondero substitute. The amendment which I have offered is a part of the Dondero substitute. It is not the entire substitute, but it is a part of it. So far as it goes, it is completely in line with the Dondero substitute. So it is my conviction since the Dondero substitute was made in order under the rule, this, in turn, would be in order as an amendment.

Mr. JONES of Alabama. Mr. Chairman, I renew the point of order I made against the amendment offered by the gentleman from Indiana [Mr. HALLECK]. The gentleman from Indiana [Mr. HALLECK] points out that the rule made the Dondero bill in order. Now the Dondero bill was specifically defeated, and this is nothing more than the Dondero bill with a new name on it. I also, submit, Mr. Chairman, that it violates the Classification Act of 1949, as amended, and that the amendment is repetitious in that it repeats the proposal contained in the Dondero bill, which the committee has already disposed of.

Mr. HALLECK. If I might be heard further—

The CHAIRMAN. The Chair will be glad to indulge the gentleman.

Mr. HALLECK. I do not know of any provision in this amendment that would be contrary in any way to any provision of the Classification Act.

I must say, Mr. Chairman, I am sorry the point of order has been made. It should not have been made. I hope it will not be sustained, but should it be sustained it will strike down an attempt to get a highway bill that would be in the best interests of the country. I am afraid it will kill highway legislation for this session. That I am seeking to avoid.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Indiana offers an amendment which has for its purpose the creation of a body corporate, vesting in that corporation certain powers. After laying down the requirements for membership, it charges the corporation with certain duties, grants to it certain authority, including that of the issuance of obligations and providing for the issuance of those obligations.

While it is true that a somewhat similar provision appeared in the amendment offered by the gentleman from Michigan [Mr. DONDERO], the Chair must point out that the rule under which the pending bill is considered made in order that amendment and waived all points of order to it.

It is, therefore, the opinion of the Chair that the amendment offered by the

gentleman from Indiana, seeking as it does to create an entirely different body, a body corporate, is not germane to the provisions of the pending bill.

The Chair, therefore, sustains the point of order.

Mr. GROES. Mr. Chairman, I make a point of order against the language in section 14 (a), page 30, lines 20 to 25, and page 31, lines 1 to 3; reading as follows:

Sec. 14. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

I make the point of order that this language is a violation of the Classification Act of 1949, that it is an invasion of the prerogatives of the Post Office and Civil Service Committee, and is not germane to the bill.

The CHAIRMAN. The Chair is prepared to rule.

The Chair will state to the gentleman from Iowa that since the provisions to which his point of order is directed are provisions in the bill that has been reported from the standing committee, the point of order is not well taken at this time.

The Chair overrules the point of order.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. At what time would the point of order be well taken?

The CHAIRMAN. The Chair would say to the gentleman from Iowa that in the opinion of the Chair the point of order would not be well taken at any time, inasmuch as the provisions to which the point of order is directed are contained in the bill as introduced and reported.

Mr. WILSON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILSON of Indiana:

On page 32, following line 7, add a new section 19:

"No funds collected under this act may be available to any State, city, or subdivision in which segregation is practiced in restaurants, restrooms, or in road construction."

And in line 8, after the word "Sec." strike out "19" and insert in lieu thereof "20."

Mr. JONES of Alabama. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

Mr. Chairman, I reserve the point of order to permit the gentleman to make his statement.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes in support of his amendment.

Mr. WILSON of Indiana. Mr. Chairman, there is no question in my mind, and I doubt if there is in the mind of anyone else, that this amendment is as germane as any amendment that has been offered. It certainly is in keeping

with some of the practices that have been going on here, and also in keeping with the wishes of our own United States Supreme Court.

The Court has ruled against segregation. Here we are authorizing this great appropriation, under which we are going to spend billions of dollars in every State in the Union. Yet, there are some States in which the Negroes are not going to have a chance to work and earn part of this money to pay the taxes to build the highways, to earn money to pay the excise taxes on their trucks, to earn money to pay the extra cost of their tires.

Why should we not clear this situation up in the States which have not yet recognized nonsegregation and give these people a break? I think these Negroes should be given the opportunity to help build the highways because they are going to help to pay the taxes. I think they should be able to use the facilities, the restaurants, and the comfort stations, and so forth, that appear along the highways.

Mr. JONES of Alabama. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The gentleman from Indiana offers an amendment to provide for a limitation on the funds collected under the pending bill, to which the gentleman from Alabama [Mr. JONES] makes a point of order.

It is the opinion of the Chair that since the amendment refers to and touches upon the funds collected under this act, limiting their use, the amendment is germane; therefore, the Chair overrules the point of order.

Mr. SMITH of Mississippi. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. WILSON].

Mr. Chairman, I hope the committee will thoroughly understand this amendment and vote it down.

Mr. BOGGS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to commend the Public Works Committee and the members thereof on both sides of the aisle for the work they have done on this bill. I do not know whether the bill is going to be passed or defeated, but may I say that I had the privilege of sitting in with the committee as chairman of a subcommittee which was appointed at the request of the gentleman from Maryland [Mr. FALLON] and upon the direction of the chairman of the Committee on Ways and Means [Mr. COOPER].

I would like to commend both the Democratic and the Republican members of this committee for working many months and many weeks, night and day, on a bill which is certainly vital to the economy of this Nation and to the growth and expansion of our country. Naturally no measure of such tremendous implications could be noncontroversial, but I believe that the members of the Public Works Committee approached their task with an objective spirit, largely non-partisan, with the idea of working out the best possible legislation to continue to build up our country.

May I say further in connection with the revenue features of the bill that, as I understand the rules of the House of Representatives, the Speaker has the

power to make the assignment of bills to the respective committees. Our great Speaker in his wisdom sent this bill containing section 4 to the Public Works Committee under the able chairmanship of the gentleman from Maryland [Mr. FALLON]. Mr. FALLON certainly had a provision that he was not seeking and I found out one thing sitting there as an observer that I doubt if there is a single member of the Public Works Committee who will ever be a candidate for membership on the Ways and Means Committee of the House of Representatives. I suspect that members of that committee have discovered that it is a lot harder to pay for these projects than it is to vote them. I am not so sure but what it was not a pretty good experience for the members of that committee and I suggest that some times certain of these other tax measures be referred to other legislative committees in the Congress. All of us will find out that those of us who have the task of serving on the Ways and Means Committee, who have been given the normal responsibility of raising these enormous sums, have a job equally onerous almost every day in the year.

I think that the chairman has done a fine job as have all the members of the committee, majority and minority, and I believe that the House should show its confidence in the Public Works Committee.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to the Fallon bill for the reason that it means another increase in taxes for the people of this country. Earlier this afternoon, under unanimous consent, a bill was passed in the House to take the excise tax off motorcycles. Is it proposed to take the tax off one product and then vote here this afternoon to increase the same kind of taxes on other products? Incidentally, the Ways and Means Committee, which is responsible for so-called reciprocal trade agreement legislation, asked that the tax be eliminated. Why is the excise tax being taken off motorcycles? Because of taxes and British imports of motorcycles into this country under the free trade policy. The industry is being killed. There is such a thing as saturating motor vehicle owners here in the United States with taxes.

All of us recognize the need for better roads and we can have far better roads if all the money collected by the Federal Government from taxes in connection with the operation of motor vehicles is dedicated to the construction of roads. Instead and inexcusably some of these funds, millions of dollars each year, go into the general funds of the Treasury and may be used to build roads in the Belgian Congo through the foreign hand-out program.

Neither a huge bond issue, upon which billions of dollars of interest will be paid, nor increased taxes upon the owners of motor vehicles, already heavily taxed, is the answer. In concert with the States, and with the dedication of revenue from all presently levied Federal taxes, an adequate system of roads can be built. Moreover, this program ought to include more than interstate

superhighways. Those who use superhighways only infrequently yet pay their share of the fuel and other taxes are entitled to at least some consideration.

And there is no more reason why a farmer should pay a tax on fuel used to generate tractor power than there would be for a tax levied upon coal or steam for highway purposes.

I am opposed to this bill for these and other reasons.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. WILSON].

The question was taken; and on a division (demanded by Mr. WILSON of Indiana) there were—ayes 24, noes 102.

So the amendment was rejected.

Mr. ALGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALGER: On page 29 strike out line 1 and all that follows down through line 10, page 29, and renumber the following sections accordingly.

Mr. ALGER. Mr. Chairman, you know that I will not talk very long, so I hope I can have your attention, and I further ask your indulgence not to ask me to yield until I struggle through what I have prepared. As a student of what I have observed here as a freshman, I would say that this section is not germane to the bill. But since that may be ruled out because you have a precedent, possibly in other legislation, then I say that a bad precedent does not require another bill.

Secondly, I would go so far—and probably lose a lot of you at this point—as to hold that this is not even the province of the Federal Government, since I have a rather deep-seated conviction that what the Government can bestow it can take away. I hate to see us crippling the workingman by fixing his pay through the Federal bureaucracy.

Further than this, since I have heard something as a freshman about the Committee on Ways and Means giving us, the Committee on Public Works, the privilege of working on taxes. After they gave us that privilege I am asking you now why we are ruling on labor, without going through the Committee on Labor. Instead we, of the Committee on Public Works, are considering it at this time. That is further evidence, I hold, that it should not be a part of this bill.

But how about the cost? It has been estimated before our committee—and I want you to know that I am a member of the subcommittee that held the hearings, and I think I had an almost complete attendance and have listened to everything that was said—it has been variously estimated that the cost of the Bacon-Davis amendment in the highway bill would be between 4 percent and 10 percent of the cost, which would be somewhere between \$2 billion and \$5 billion. If we watchdogs of the public purse are really concerned about the cost, it occurs to me again that we should not have the Bacon-Davis amendment. Further than this, if this is a Government matter, I am one of those who holds that that Government is best that is closest to the people. If it is a matter of the Government, let us keep it at the

State level. We in Texas and in other States, I am sure, feel that we can take care of our own labor matters without the Federal Government control.

I have been very surprised in the course of the deliberations of such a staggeringly expensive bill to see us dismiss other things as unimportant. I had a colleague on the committee tell me that this only sets the prevailing wage or recognizes the prevailing wage in this area. I say to you that the men in Texas do not work if they do not get the prevailing wage. We know what the prevailing wage is. We would like to set it without the Federal Government doing it for us.

I would go further—and maybe some of you think this very odd—I come very recently from the grassroots, the man-on-the-street sort of thing, and I hold that the balance of power between the Federal Government and the States is jeopardized by this sort of bill. That might be very provincial. I have heard that phrase used. I do not think it is at all provincial. It was set up rather wisely that the States have their rights, and we want no encroachment of our State rights.

Our local economy can take care of itself. If highway workers come in and receive pay that is more than the prevailing wage or is out of keeping with the wage pattern we have set up because some Federal bureaucrat makes a mistake and tells you what the wage ought to be, it will disrupt our entire economy.

What happens when the Federal Government comes in? I think all of you know that where we have State machinery set up, the Federal Government duplicates it, and if there is a question of jurisdiction, you know what happens to the States.

I trust that others throughout the country share some of this concern, because while we are Federal legislators, we also represent our districts. For that reason I hope you will vote to strike out the Bacon-Davis amendment, section 11.

Mr. BALDWIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had a vote on this particular provision yesterday when the question came up as to the insertion of an identical provision in the Dondero bill. It was demonstrated yesterday that it was the clear intent of the Members of this body that we should have a Bacon-Davis Act prevailing-wage provision in this highway legislation. The actual wording of this provision simply states that we shall pay wages at rates not less than those prevailing on similar construction in the immediate locality.

Certainly that basic provision is something we have recognized in Federal Government expenditures for years. It was established originally in order to prevent anyone coming in on a Federal construction project and paying rates of wages that were materially less than those in the surrounding area. And since that time it has been recognized as a basic part of our Federal policy to use this plan to protect workmen from being brought in from other areas and undercutting the level of wages in the particular area in which the construction is done.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield? Mr. BALDWIN. I yield.

Mr. JOHNSON of California. I congratulate my colleague on his argument and want to associate myself with it. I endorse exactly what he has said. We have had the prevailing wage system on State and municipal projects in California for over 25 years. It has produced excellent results.

Mr. BALDWIN. I thank the gentleman. We should by the prevailing vote of this body protect and keep this Davis-Bacon Act provision. It is the proper thing to do in this case because we are now recognizing the fact that the Interstate System is primarily a Federal financial responsibility. We are providing that between 90 and 95 percent of the funds for this Interstate System will be Federal funds. When we recognize that the basic 90 or 95 percent financial obligation is Federal, then we certainly should accompany it with the Davis-Bacon provision, which we have recognized for years as an obligation we owe to the workmen of this country.

Mr. MACHROWICZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Texas seeks to strike out the very language which was adopted here yesterday on an amendment offered by the gentleman from Washington [Mr. MACK] and which was adopted by the Committee on Public Works by a vote of 28 to 4. The gentleman from Washington yesterday explained the theory and the history of the Davis-Bacon bill and I shall not do that today. It was passed under the Hoover administration on motion of two Republican Members of Congress. It has been put in effect by the Democratic administration ever since. So this is not a partisan move. It is an amendment which has had the support of both parties.

This amendment has been made applicable to many programs of this Congress. May I cite a few:

The Federal Airport Act.
School Survey and Construction Act of 1950.
Hospital Survey and Construction Act.
The slum clearance and urban renewal program in the Housing Act of 1954.
National Housing Act.
Multifamily rental housing under the FHA.

Defense Housing and Community Facilities and Services Act of 1951.

Lease Purchase Contracts Act of 1954.

It has been made applicable to all of these acts. Why should it not be made applicable here only to the interstate highway system, not to any other roads, but to the interstate highway system in which the Government has 90 percent of the money invested?

I submit the House expressed its views yesterday in such a strong way that I shall take no further time to urge defeat of this amendment.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the amendment to strike out the provision fastening the provisions of the Davis-

Bacon Act upon the expenditures of the States themselves as well as the Federal Government. It should not be in this act.

I have had some experience with it. The Davis-Bacon Act in its inception is all right; it is good. We ought to pay the prevailing rate of wages. That is what we ought to do. But the way that act is set up and the way it is administered, that is just exactly what you do not do.

I want to tell you the experience I have had with it here in the area of the Nation's Capital. As you all know, when you get to building these roads out in the rural areas it is a positive fact that prevailing rates of wages on all mechanics vary from those in the city areas.

What happens? Here in Washington I had the situation where a contract was being let on a Government project 50 miles from Washington in a purely rural area. The Department of Labor, which is charged with the responsibility of fixing the prevailing rate of wages, went 50 miles out in Virginia in a rural area and solemnly declared that the prevailing rate of wages in that rural area was the same as the highest prevailing rate of wages in the District of Columbia, which was exactly contrary to the facts. I took it up with the Department of Labor and could get nowhere, and I took it up with the Defense Department and complained. The Army people said to me, "Why this is an outrage. It is costing the Government millions upon millions of dollars by this false application of the provisions of this act." I said, "Why don't you do something about it?" They said, "We have." They said that they had gone to the Department of Labor and said to the Secretary of Labor that this law was being misapplied and misconstrued in every possible way, robbing the Government of millions of dollars. The reply they got from the Department of Labor was that this function has been assigned to the Department of Labor. They were told: "Now we will attend to the functions of the Department of Labor and you go on back and fight the war."

That is what is happening to you in this bill. I think you ought to know it and I think you ought to stop and listen before you add a tremendous amount of expense to the building of these roads by a false application and a false construction and the false operation of a bill which in its inception is a good bill.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SHEPPARD. What controversy would there be with relation to the regulatory provisions of the Walsh-Healey Act as against the legislation to which the gentleman is presently addressing himself. Is there any conflict there at all?

Mr. SMITH of Virginia. I am not sure whether there would be any or not, but they are along the same line.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if there ever was a bill before the Congress in which the provisions of the Davis-Bacon Act should be included, it is the bill which is presently before us. To me the inclusion of

the provisions of the Davis-Bacon Act in this bill is not only justified from the angle of the workers and the employees, but there is just as strong a case from the angle of the employer and the contractor. We must bear in mind that the uncomfortable questions that arise where there is an abuse of something that is good usually is confined to only 1 percent or 2 percent of a group or class. Ninety-eight to ninety-nine percent want to do the right thing. In the case of the contractors of our country, 98 to 99 percent of them want to do the right thing and they want to pay their employees the prevailing rate of wages. Let me give you an illustration of a case that I know about. In 1 of our States not so long ago, a contract was let to a contractor who bid 30 cents or 40 cents an hour under the prevailing rate. Honorable contractors cannot compete with that sort of a situation. I have friends of mine who are honorable contractors. They are mighty fine citizens and fine people. They have come to me and said, "John, the provisions of the Davis-Bacon Act should be included in this bill. It is not only 'right and just,' it is a protection to me. I want to pay the prevailing rate to my employees. But, if I have to meet unscrupulous competition, there is 1 or 2 things that I must do. Either I must engage in the same practices as they are engaging in, which I do not want to do, or I have to go out of business because I cannot compete in that particular field of business activity. It is useless for me and other honorable contractors to submit bids under these circumstances because the award under the law must be given to the lowest responsible bidder, and we cannot compete with the type of contractors who are bidding where they are paying 30 cents to 40 cents an hour less than we pay and less than what we want to pay."

So not only is it an economic problem, but there is a moral problem involved—the morality of paying the prevailing rate of wage to the workers and morality of protecting honorable contractors. So I hope the amendment will be defeated.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this entire subject, the Davis-Bacon amendment was debated yesterday and accepted by the committee by a very large majority.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Texas.

Mr. ALGER. I would like to correct that and say to my colleague from Washington that that was not the case. I was on my feet, if the gentleman recalls. We had a substitute motion which was presented. We were told we were to have a vote on the Mack amendment, but the substitute amendment offered by the gentleman from Louisiana, Mr. THOMPSON, was considered after the debate closed. We could not get a vote. I was not recognized. I just want that to appear on the record.

Mr. MACK of Washington. The gentleman would have had an oppor-

tunity to discuss the measure if he had availed himself of the parliamentary rules of the House.

I want to say, Mr. Chairman, that the Davis-Bacon provisions have been the law in the United States for 25 years. These provisions apply in the building of every veterans' hospital in the United States. They apply to the building of Federal airports; they apply to all work on school buildings where Federal funds are provided; they apply in the act passed last year to establish the lease-purchase program for the erection of new Federal buildings and new post office buildings throughout the United States; they apply even to the highways built for the Forest Service and the Park Service. Certainly the Davis-Bacon law should apply here where 90 percent of the money going into the interstate system of highways is Federal money.

Every one here familiar with labor matters know of the need to protect the hundreds of thousands of jobs that are being created under this highway program. This is a \$25 billion program, the greatest public works program in the history of the world. It will create jobs for tens of thousands of workmen for the next 15 years in the construction of highways. We in the Federal Congress certainly do not want any part in any arrangement that will break down the high living standards and the good wages that have prevailed in some areas.

Mr. BROWNSON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BROWNSON. Is it not true that there is probably no law on the books of the Nation that has had the bipartisan support that this Bacon-Davis law has had since it was originally passed by a Republican Congress and through all the intervening years?

Mr. MACK of Washington. And an indication of that is that when this road bill was before the Public Works Committee the Davis-Bacon provision was placed in the Fallon bill by a vote of 24 to 4. Practically all the Republicans and practically all the Democrats on the committee voted for the proposal to include the Davis-Bacon provisions in the Fallon bill.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. FOGARTY. Mr. Chairman, I do not intend to take the 5 minutes.

Mr. Chairman, I listened to the gentleman from Virginia [Mr. SMITH] state a hypothetical problem on this particular amendment, talking about some situation that existed 50 miles outside the District of Columbia. I do not know where that particular place is or what was being built, but I do know how the Bacon-Davis act applies to situations such as that.

Perhaps in the town, if it was a small town, and a veterans' hospital was being built, or 10 miles of a 4-lane highway, or some other big project, in order to get the project built they had to employ men from the District of Columbia. The only way one can build a project like that is to get employees from a

larger city area like the District of Columbia. In order to get those employees to go to work in a small town 50 miles out of the city one has to guarantee that they will get the prevailing wage paid in this area in order to justify travel of 50 miles to get to the job. In 99 percent of the cases that is how the Bacon-Davis act applies. I think everyone who has been here during the war years and who saw the barracks built realizes that we would not have had them built without the wholehearted cooperation of labor. Let us make no mistake about that.

These veterans' hospitals and barracks were built during the war because the armed services of this country had the support and the cooperation of the labor organizations of the country. They supplied the help and the know-how and the equipment to build these cantonments all over the country. If we had not had the prevailing scale of wages under the Bacon-Davis Act those installations could not have been built in the record time they were built. Perhaps they would have cost twice as much as they did, when, as, and if they were completed.

Now, I have been through this for about 14 or 15 years.

I know in connection with some of these large contracts that are going to be let on these road jobs that when a contractor has a steam shovel which cost him in the neighborhood of \$100,000 to \$150,000 to buy, he is going to make sure he has a mechanic who is trained and will not wreck that piece of equipment. He wants a mechanic who is trained to run the equipment. It will be a man he must pay a living wage to in order to protect his own equipment.

This is a basic reason for the Davis-Bacon Act. Every good employer in this country, building these roads, hospitals and installations—all over the country—is in favor of the Davis-Bacon Act because he knows that is the only way they can get built. They can be built quicker, they can be built better and as long as we have that act on the books, let us support it.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from California.

Mr. SCUDDER. Is it not true that the provisions of this amendment state that the people under this act shall be employed at rates not less than the rates prevailing in similar construction in the immediate locality, as determined by the Labor Department? If the labor is supplied from another center, that is the center that the prevailing wage would be based on, in a locality perhaps 50 miles away?

Mr. FOGARTY. If the labor supply is not available in the area and they must go 100 miles to get it, they would be expected to pay the prevailing wage of the area where the employee came from.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ALGER].

The amendment was rejected.

Mr. WITHROW. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time for the purpose of announcing that if I am recognized by the Speaker at the proper time I shall offer a motion to recommit the Fallon bill, H. R. 7474, to the Committee on Public Works with instructions to report the same back forthwith with the following amendment, which strikes all after the enacting clause and inserts for the Fallon bill, H. R. 7474, the Dondero bill which was considered in the Committee today.

I do that for the reason I believe the subject is important enough, and due to the fact that the vote was so close in the Committee, 178 to 184, that it should be considered by the House itself.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from Indiana.

Mr. HALLECK. Do I understand it is the Dondero bill as amended and perfected in the Committee of the Whole which the gentleman is going to offer?

Mr. WITHROW. That is correct.

Mr. VANIK. Mr. Chairman, although the provisions of H. R. 7474 are not the perfect solution to the highway needs of the interstate system, I will support this legislation on the basis that it is the only solution to the highway problem available this year. Time is of the essence in the adjusting of our public highways to the increasing needs. The 40,000 miles of the interstate system are the backbone of the Nation's circulatory system. The improvement and the development of the interstate system is an integral part of the national defense plan and the highway program envisioned by this legislation is justified for that reason alone.

There is no perfect or easy solution to the problem of raising the funds to pay for the highways which we need. Highways which become obsolete and inadequate almost immediately after they are constructed should not be paid for with funds raised through bonded indebtedness. And it is only reasonable to expect that the highways should be paid for by the highway users who have most to gain by the development of a free moving system. The tax revenue proposals of this measure are fairly reasonable and just. Certainly there can be no discrimination against truckers when over 75 percent of the revenues would be derived through a gasoline tax applicable principally to the motorist. By any other principle, the trucking industry would be obliged to pay a greater proportion. If the principle of weight and distance were applied to the problem of raising highway revenues, the tax on the trucking industry would be considerably greater.

I will vigorously oppose the provisions of the highway bill which provide for the permissive use of Federal-aid funds to pay the costs of relocating public utility lines where State laws require the entire relocation cost to be borne by the utility. In this connection, I want to quote from a letter which I received on July 5, 1955, from Mr. S. O. Linzell, director of the Department of Highways of the State of Ohio:

It is contrary to State laws on the subject and authorizes use of funds allocated

to the State for a purpose illegal under our laws.

Utilities are on public highways in Ohio by permit, agreeing when given the permit to conform to highway improvements without cost to the State or its subdivisions. The Federal act, in substance, thus avoids contracts between the State or its subdivisions and the utilities.

It is bad policy to have national laws at variance with State laws on the subject.

Utilities are a burden on the highways, are there without a rental charge and create hazards not there except through the permit.

A utility should have no vested right by sufferance than any other property owner should not have.

We now pay utilities to move when a relocation of our highway causes changes when they are on a private right-of-way. Most of the interstate highway work, whether rural or urban, will be on relocation, and utilities will be paid for relocating their facilities, while in the normal type improvement, on ordinary State work, the State would be loaded, ultimately, with costs for which there is no legal obligation.

It is useless to argue that the expenditure is permissive, because once the Federal Government gives its blessing to the principle of reimbursement, the States will be forced by pressure tactics to do the same and justification will be based on the Federal action.

The statement of Mr. Linzell is a statement of sound public policy, in which I heartily concur.

I also find disagreement with that section of the bill which provides that the Secretary of Commerce must enter into agreements with the State highway departments to insure that the users of the national system will receive the benefits of free competition in purchasing supplies and services at or adjacent to the national system.

I have no argument with those Members who seek to restrict the granting of special food and service concessions on highways of the national system. There may be some abuses. However, I take the position that the newly relocated highways of the interstate system will better serve the public if there is no retail business enterprise on the system. The new highways should be for transport and travel and not for hot dogs and beer. For these things and other services, the motorist can enter upon the local highway system which is dedicated to business and other uses. In procuring highway rights-of-way, procurement should include covenants restricting the use of land adjacent to the highway right-of-way to purposes not inconsistent with through highway use and specifically prohibit the use of such abutting property for retail business purposes. Where possible, the State highway department should obtain from the local governments agreements that land abutting on highways of the national system shall be zoned for uses other than retail business. This procedure will preserve the business usefulness of urban communities near the national system and will prohibit the relocation and movement of urban communities to the national system. A highway is useful only so long as it does not become a business street. It is tragic to tabulate the cost of highways relocated around urban communities which have in a short time become dotted with neon lights, traffic lights and all the other impediments to travel that are customary on a business highway.

Although the language in the bill has for its purpose the elimination of monopoly concessions along highways on the national system, I very much fear that it may more extensively be used as an argument against the development of freeways; that landowners abutting a relocation section of the national highway system would use the language as part of their claim that it was congressional intent that local business be freely sprinkled along the highway right-of-way.

Better highways must be built and although this bill is not perfect, it is a good beginning.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, pursuant to House Resolution 314, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WITHROW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WITHROW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WITHROW moves to recommit the bill H. R. 7474 to the Committee on Public Works with instructions to report the same back forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"Short title

"SECTION 1. That this act may be cited as the 'National Interstate Highway Act'.

"Objective and policy

"SEC. 2. It is hereby declared to be in the national interest to foster and accelerate the development of a modern, adequate, safe, and efficient system of highways deemed essential for the expansion of the economy and the changing concepts of the military and civil defense of the United States. It is further declared to be desirable that the development of such system of highways be continued through the cooperation and joint efforts of the Federal Government, the States, and local subdivisions thereof. It is hereby found that those essential highways are in fact inadequate to meet the needs of interstate commerce and the national and civil defense, and that the most important portion of such highways are, or should be, located on the National System of Interstate Highways.

"Accordingly, it is the objective of this act to complete the construction of the National System of Interstate Highways within the next 10 years up to such standards as will produce safe highways adequate to handle traffic needs for at least the next 20 years. This objective will be reached only by means of a program which will presently assure the financing of the system as a whole, and provide for prompt acquisition of necessary rights-of-way. It is hereby declared to be the policy of Congress to continue or to impose such taxes as may be necessary to meet this objective.

"SEC. 3. This act is divided into titles and sections according to the following table of contents:

"TABLE OF CONTENTS

"Title I—Federal Highway Corporation

- "Sec. 101. Creation of Corporation.
- Sec. 102. Management of Corporation.
- Sec. 103. Duty of Corporation.
- Sec. 104. Corporate powers.
- Sec. 105. Corporate financing.
- Sec. 106. Services and facilities of other agencies.
- Sec. 107. Misappropriation of funds.
- Sec. 108. Report to Congress.

"Title II—Concerning the Department of Commerce

- "Sec. 201. Cancellation of authorizations.
- Sec. 202. Interstate system.
- Sec. 203. Standards.
- Sec. 204. Expenditure authorization.
- Sec. 205. Distribution by States.
- Sec. 206. Scheduling of construction and participation by States.
- Sec. 207. Right-of-way acquisition.

"Title III—Miscellaneous

- "Sec. 301. Definitions.
- Sec. 302. Without compensation employees.
- Sec. 303. Amendment to Corporation Control Act.
- Sec. 304. Construction of this act.
- Sec. 305. Effect on present law.

"TITLE I—INTERSTATE HIGHWAY FINANCE CORPORATION

"Creation of Corporation

"SEC. 101. There is hereby created, subject to the direction and supervision of the President, a body corporate to be known as the Interstate Highway Finance Corporation. As hereafter provided in section 303, the Corporation shall be subject to the provisions of the Government Corporation Control Act. The principal office of the Corporation shall be located in the District of Columbia.

"Management of Corporation

"SEC. 102. (a) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the Board) composed of four members. One of these members shall be a full-time public member appointed by the President, by and with the consent of the Senate, without regard to political party affiliation, and the President shall designate such full-time public member as Chairman of the Board. The three remaining members shall be the Secretary of Commerce (hereinafter called 'Secretary'), the Secretary of the Treasury, and the Secretary of Defense, or their representatives. The Commissioner of Public Roads shall serve as executive secretary of the Board.

"(b) The Chairman of the Board shall receive compensation at the rate of \$17,500 per annum. As Chairman, he shall preside at meetings of the Board and be the Corporation's chief representative. He shall be responsible for general supervision of the activities of the staff of the Corporation. He shall also maintain liaison with the representatives of the States with respect to the policies set forth in this act. The Chairman in the conduct of his functions as Chairman shall act in conformance with determinations of the Board.

"Duty of Corporation"

"SEC. 103. It shall be the duty of the Corporation (a) to receive and borrow funds, (b) to provide and make available to the Secretary such sums as are necessary to permit him to make the payments or advances to the States, through the established channels of the Bureau of Public Roads of the Federal share of the cost of construction of projects on the interstate system, and such other costs or expenses as are permitted or required to be paid or advanced by him in connection with the interstate system under the terms of this act, and (c) to perform such other duties as may be required in the performance of its functions and the exercise of its powers under this act.

"Corporate powers"

"SEC. 104. For the purpose of carrying out its functions under this act, the Corporation—

- "(1) shall have succession in its corporate name;
- "(2) may adopt and use a corporate seal, which shall be judicially noticed;
- "(3) may sue and be sued in its corporate name;
- "(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its functions may be carried out and the powers vested in it may be exercised;
- "(5) may make and carry out such contracts, agreements, or other transactions as it may deem necessary or advisable in the conduct of its business;
- "(6) may incur indebtedness as provided in section 105, and incur current obligations incidental to performing its functions, subject to provisions of law applicable to Government corporations;
- "(7) may appoint such officers, agents, attorneys, and employees as it deems necessary for the conduct of its affairs, define their authority and duties, delegate to them such of the powers vested in the Corporation as the Board may determine, require bonds of such of them as the Board may designate, and fix the penalties and pay the premiums on such bonds;
- "(8) may utilize the available services and facilities of other agencies as provided in section 106;
- "(9) may use the United States mails in the same manner as its executive departments; and
- "(10) may take such actions and exercise such other powers as may be necessary, incidental, or appropriate to carry out the function of the Corporation, and to further the objectives of this act.

"Corporate financing"

"SEC. 105. (a) The Corporation is authorized to issue, upon the approval of the Secretary of the Treasury, obligations in an amount not to exceed \$21 billion. Obligations issued under this subsection shall have such maturities, not to exceed 30 years, and shall bear such rate or rates of interest, as may be determined by the Corporation with the approval of the Secretary of the Treasury, and they shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. The aggregate amount of obligations under this subsection outstanding at any one time shall not exceed the maximum amount of obligations, as determined by the Secretary of the Treasury as of July 1 of each year, on which the annual principal and interest payments required over the life of the obligations can be made from prospective appropriations under subsection (b) and other revenues of the Corporation, but obligations lawfully issued hereunder will not be affected by determinations subsequent to date of issue. The Corporation shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that the obligations, together with the

interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Corporation. The Corporation is authorized to purchase in the open market for retirement, at any time and at any price, any outstanding obligations issued under this subsection.

"(b) There are hereby authorized to be appropriated and there shall be paid by the Secretary of the Treasury to the Corporation for the fiscal year 1956, and for each fiscal year thereafter in which there are outstanding unmatured obligations of the Corporation, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the revenue in excess of \$622,500,000 collected during each fiscal year, as shown by the official accounts of the Directors of Internal Revenue, from the taxes (including interest, penalties, and additions to taxes) imposed by sections 4081 and 4041 of the Internal Revenue Code of 1954 on gasoline and special fuels, upon certification by the Board and the Secretary of the Treasury as necessary to finance this program. The Secretary of the Treasury shall enter into a contract with the Corporation providing for the payment of such amounts to the Corporation, which contract shall stand as security for the outstanding obligations of the Corporation, it being the intent of Congress that such amounts shall be dedicated to the construction of the interstate system. The Secretary of the Treasury may advance to the Corporation in any fiscal year an amount not in excess of the estimated appropriation for that fiscal year, such advances to be repaid from amounts subsequently appropriated hereunder in that fiscal year. The Corporation shall pay into the Treasury as miscellaneous receipts, on the basis of annual billings as determined by the Secretary of the Treasury, an amount for each fiscal year that bears the same ratio to the estimated costs of collecting taxes, refunds of taxes, and costs of making refunds of taxes under sections 4081 and 4041 of the Internal Revenue Code of 1954 for that fiscal year as the appropriation hereunder bears to the estimated total revenue collected under those provisions for that fiscal year.

"(c) The Corporation may issue to the Secretary of the Treasury its obligations in an amount not to exceed in any 1 year the amount necessary above all other revenues of the Corporation to provide for debt service of the Corporation during that year but not to exceed the aggregate amount of \$5 billion outstanding at any one time. The obligations issued by the Corporation under this subsection shall have such maturities as may be prescribed by the Corporation with the approval of the Secretary of the Treasury and shall be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in the obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the Corporation. The Secretary of the Treasury is authorized to purchase any obligations of the Corporation to be issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Corporation's obligations hereunder.

"(d) All obligations issued by the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary,

trust, and public funds, the investment or deposit of which shall be under authority and control of the United States or any officer or officers thereof.

"(e) The penultimate sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by inserting after the phrase "or obligations of the Federal National Mortgage Association," the phrase "or obligations of the Interstate Highway Finance Corporation."

"(f) All revenues of the Corporation, including moneys appropriated under subsection (b) of this section shall be maintained as a trust fund.

"Services and facilities of other agencies"

"SEC. 106. (a) Except as specifically authorized by the President, the Corporation shall, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the services of the officers, employees, facilities, and information of any agency of the United States, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, upon the request of the Corporation, make such data available to the Corporation without reimbursement.

"(b) The Corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the Corporation's employees and their beneficiaries. The Corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the Corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Corporation into the Treasury as miscellaneous receipts.

"Misappropriation of funds"

"SEC. 107. (a) All general penal statutes relating to the larceny, embezzlement, or conversion, of public moneys or property of the United States shall apply to the moneys and property of the Corporation.

"(b) Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation or any officer or employee of the United States, (1) makes any false entry in any book of the Corporation, or (2) makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

"(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than \$5,000 or imprisoned not more than 5 years, or both.

"Report to the Congress"

"SEC. 108. The Board shall prepare an annual report of operations under this act for transmittal by the President to the Congress.

*"TITLE II—PROVISIONS CONCERNING THE DEPARTMENT OF COMMERCE"**"Cancellation of authorizations"*

"SEC. 201. (a) Section 2 of the Federal-Aid Highway Act of 1954 is hereby repealed.

"(b) Section 1 of the Federal-Aid Highway Act of 1954 is hereby amended by reducing the authorization for projects on the Federal-aid primary system in urban areas, and for projects on approved extensions of the Federal-aid secondary system within urban areas, for the fiscal years ending June 30, 1956 and 1957, from '\$175,000,000' to '\$75,000,000.'

"Interstate system"

"SEC. 202. In furtherance of section 7 of the Federal-Aid Highway Act of 1944, the Secretary is authorized, within the limitation of 40,000 miles, to approve as part of the interstate system such lateral feeder and distributing routes, and circumferential routes as may be required to furnish maximum utility of the system within or adjacent to urban areas, provided that one or both ends of such routes shall lie on a route of the system. The Secretary is further authorized to approve as part of the interstate system any highway which complies with the standards of section 203 and which lies on an approved route of the interstate system irrespective as to whether or not tolls are collected for the use thereof. The Secretary is authorized, in cooperation with the State highway departments, to designate as promptly as reasonable possible routes to take up the mileage still undesignated so that the entire 40,000 miles of this system shall be designated. In approving any undesignated mileage the Secretary shall designate those routes which contribute most to the benefit of the system as a whole and are most important from the point of view of national defense. In case the actual construction of highways on the system increases available undesignated mileage the Secretary may redesignate this mileage in accordance with the preceding sentence. No additional mileage shall be placed on the system until the Secretary shall certify that 80 percent of the mileage originally designated has been improved to the approved standards.

"Standards"

"SEC. 203. (a) The standards to be used for the interstate system shall be those approved by the Secretary after consultation with the Department of Defense, the Federal Civil Defense Administration, and the State highway departments. The Secretary is authorized to make the final determination of the standards to be used, except as provided in section 102 (d).

"(b) The geometric standards for the interstate system shall be such standards as are deemed adequate to properly accommodate the types and volume of traffic forecast for the 20 years immediately following enactment of this act. Such standards shall provide for the development of a system as nationally uniform in characteristics as possible within a 10-year construction period.

"(c) The right-of-way width on the interstate system shall be adequate to permit construction of the route to the geometric standards provided for in subparagraph (b) for a period of at least 20 years following the date of authorization of a project under this act. Such width shall not be deemed adequate if (1) it does not include provision for the addition of more traffic lanes at a future date, except that the maximum width in any case need not exceed that necessary for three moving lanes in each direction, plus service roads as necessary; and if (2) it does not contain the proper and necessary degree and type of control of access or exits from the highway which will permit maximum freedom of traffic flow and promote national safety.

"(d) The standards shall be periodically reviewed by the Secretary, after consultation with the appropriate State and Federal officials, to insure maximum utility of the completed system with due recognition to the desirability of developing a national system having the greatest uniformity of characteristics possible.

"Expenditure authorization"

"SEC. 204. The Secretary is hereby authorized to make payments in an amount not to exceed \$25 billion or such lesser sum as estimated by the Corporation on the basis of prospective revenues to be the maximum amount to be available for the purposes of this act.

"Distribution by States"

"SEC. 205. (a) All sums herein authorized shall be apportioned among the several States in accordance with needs of the Interstate System in the several States as determined in accordance with the provisions of this act: *Provided*, That the following amounts (representing 90 percent of the needs of the several States with respect to the Interstate System, as reported in H. Doc. No. 120, 84th Cong., 1st sess.) shall be distributed to the States as next hereinbelow set forth:

[Amounts in thousands]

State	10 years	Annually
Alabama.....	\$328,811	\$32,881
Arizona.....	188,622	18,862
Arkansas.....	182,776	18,278
California.....	2,089,397	208,940
Colorado.....	140,752	14,075
Connecticut.....	499,500	49,950
Delaware.....	59,330	5,933
Florida.....	445,622	44,562
Georgia.....	629,921	62,992
Idaho.....	96,292	9,629
Illinois.....	958,212	95,821
Indiana.....	780,526	78,053
Iowa.....	248,133	24,813
Kansas.....	185,779	18,578
Kentucky.....	442,800	44,280
Louisiana.....	443,272	44,327
Maine.....	132,549	13,255
Maryland.....	390,730	39,073
Massachusetts.....	754,179	75,418
Michigan.....	1,166,141	116,614
Minnesota.....	434,781	43,478
Mississippi.....	221,252	22,125
Missouri.....	538,728	53,873
Montana.....	137,038	13,704
Nebraska.....	96,034	9,603
Nevada.....	66,106	6,611
New Hampshire.....	59,785	5,979
New Jersey.....	1,221,470	122,147
New Mexico.....	212,141	21,214
New York.....	1,202,310	120,231
North Carolina.....	222,215	22,222
North Dakota.....	96,161	9,616
Ohio.....	1,224,656	122,466
Oklahoma.....	339,274	33,927
Oregon.....	287,460	28,746
Pennsylvania.....	684,019	68,402
Rhode Island.....	110,582	11,058
South Carolina.....	164,953	16,495
South Dakota.....	85,576	8,558
Tennessee.....	341,855	34,186
Texas.....	784,814	78,481
Utah.....	214,418	21,442
Vermont.....	159,601	15,960
Virginia.....	512,514	51,251
Washington.....	420,742	42,074
West Virginia.....	232,726	23,273
Wisconsin.....	290,158	29,016
Wyoming.....	266,261	26,626
District of Columbia.....	136,621	13,662

Provided, That the Secretary shall, in cooperation with the several States, reevaluate the remaining needs of the interstate system in the several States in 1958, 1961, and 1964, and shall render a written report to the Congress on or before the first day of February in each of such years containing the results of such reevaluation and his recommendations with reference to any proposed changes in the distribution of the balance of the funds apportioned in the foregoing table:

Provided further, That the Federal share payable on account of any project on the National System of Interstate Highways provided for by funds made available hereunder shall be 90 percent of the total cost thereof, plus a percentage of the remaining 10 percent of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 percent of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area; *And provided further*, That such Federal share payable on any project in any State shall not exceed 95 percent of the total cost of such project.

"(b) On or before April 1, 1956, each State desiring to avail itself of funds hereunder shall file a statement, and an estimate of the cost as of January 1, 1956, of bringing that portion of the designated interstate mileage within its boundaries up to the standards

prescribed under this act. On or before April 1 of each subsequent year, each State shall submit a revised estimate of such cost as of January 1 of such year, including therein the actual or estimated cost of any construction of such mileage begun or carried on subsequent to January 1, 1956.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall establish an approved estimate of cost for construction of projects on the Interstate System in each State, and the Secretary shall, in accordance with needs and subject to the provisions of section 205 (a), determine the ratio of the approved estimate of cost for each State to the total of the approved estimates of such costs for all States.

"Scheduling of construction and participation by States"

"SEC. 206. (a) On or before April 1, 1956, and on or before April 1 of each year thereafter, each State desiring to avail itself of funds hereunder shall file a statement and an estimate of the cost of projects it proposes to construct during each of the next 2 fiscal years. The Secretary shall examine these estimates, and before the beginning of each fiscal year, commencing with the fiscal year 1956, he shall establish an approved construction program, including the estimated cost thereof, for each State for such fiscal year.

"(b) The Secretary shall make allocations to the States in the amounts of the approved estimates, and the Secretary shall promptly notify the States of the approved construction programs and of the amounts so allocated. These allocations shall be available for obligation by the States to which allocated for a period of 2 years. Any sums not under obligation at the end of any 2-year period may be reallocated, as the Secretary may determine.

"(c) On or before July 1, 1956, and on or before July 1 of each year thereafter, the Secretary shall transmit to the Corporation a schedule indicating his best estimate of the cash requirements necessary to meet payments during the next two fiscal years. These estimates shall include estimates of amounts needed for payments under section 207, for research as authorized by section 10 (a) of the Federal-Aid Highway Act of 1954, and for administrative purposes in an amount not exceeding one-tenth of 1 percent of the funds made available by the Corporation in any fiscal year. The Corporation shall promptly make available funds to the Secretary as required by his annual estimate.

"(d) The Secretary is authorized to advance funds to each State to permit prompt payment of construction costs.

"(e) Payments to the States made pursuant to this section shall be subject to the conditions (1) that construction of projects on the interstate system in each State shall be in accordance with the standards approved by the Secretary; (2) that the State participates in the costs of construction in each fiscal year in the matching amount provided for such State under the terms of section 205 (a); and (3) that the State will have the same obligations as to maintenance of the projects constructed under this act that it has under Federal-aid highway legislation.

"Labor standards"

"SEC. 207. The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial work performed on highway projects in the national system of interstate highways authorized by this act shall be paid wages at rates not less than those prevailing on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935, known as the Davis-Bacon Act (40 USC. Sec. 276 (a)).

"Right-of-way acquisition"

"SEC. 207. (a) If the Secretary shall determine that the State highway department of any State is unable to obtain possession and the right to enter upon and use the rights-of-way, lands or interest in lands, improved or unimproved, including the control of access thereto from adjoining lands, required for any project on the interstate system with sufficient promptness, and each such State has agreed with the Secretary to pay, at such time as may be specified by the Secretary, an amount equal to 10 percent of the costs incurred by the Secretary in acquiring such lands or interest in lands, or such lesser percentage as may be applicable under the provisions of section 205 (a), the Secretary is authorized, upon the request of such a State, prior to approval of title by the Attorney General, and in the name of the United States, to acquire, enter upon, and take possession of such rights-of-way, lands or interests in lands, including the control of access thereto from adjoining lands, by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931; 46 Stat. 1421), and to expend funds for projects thereon. The authority granted by this section shall also apply to lands and interest in lands received as grants of land from the United States and owned or held by railroads or other corporations. The cost incurred by the Secretary in acquiring any such rights-of-way, lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition; and shall be payable out of the funds apportioned to the State hereunder available to the Secretary for construction of projects on the interstate system. The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any such rights-of-way, lands, or interest in lands, including the control of access thereto from adjoining lands, acquired in any State under the provisions of this section, except the outside five feet of any such right-of-way in States unable or unwilling to control access, to the State highway department of such State or to such political subdivision thereof as its laws may provide, upon such terms and conditions as may be agreed upon by the Secretary and the State highway department, or political subdivisions to which the conveyance is to be made. Whenever the State is able and agrees to control access, the outside five feet may be conveyed to it.

"(b) Whenever rights-of-way on the interstate system are required over public lands of the United States, the Secretary may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary in this connection.

"(c) The Secretary may adopt such regulations as he deems advisable to protect fully the interests of the United States in the acquisition of rights-of-way. He may take such action as necessary to carry out such regulations.

All agreements between the Secretary and the State highway department for the construction of projects on the national system may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain

a clause providing that the State will not permit automotive service stations or other commercial establishments to be constructed or located on the right-of-way of the national system in such State.

*"TITLE III—MISCELLANEOUS"**"Definitions"*

"SEC. 301. As used in this act, unless the context requires otherwise—

"(a) The term 'interstate system' means the National System of Interstate Highways as authorized to be designated by section 7 of the Federal-Aid Highway Act of 1944, and includes those routes heretofore designated by the Commissioner of the Bureau of Public Roads, as well as routes to be hereafter designated. The mileage so designated as of June 30, 1954, is thirty-seven thousand six hundred miles. The mileage of the routes so designated is calculated by stating the mileage of the most traveled highway between control points. The mileage of the entire system is limited to forty thousand miles.

"(b) The term 'Corporation' means the Interstate Highway Finance Corporation created by title I of this act.

"(c) The term 'Secretary' means the Secretary of Commerce.

"(d) The term 'Federal-aid highway legislation' means 'the act providing that the United States shall aid the States in the construction of rural post roads and for other purposes,' approved June 11, 1916, as amended and supplemented.

"Amendment to Corporation Control Act"

"SEC. 302. Section 101 of the Government Corporation Control Act (59 Stat. 597), as amended, is hereby further amended by adding thereto the words 'Federal Highway Corporation.'

"Construction of this act"

"SEC. 303. If any section, subsection, or other provision of this act, or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstance shall not be affected thereby.

"Effect on present law"

"SEC. 304. All provisions of Federal-aid highway legislation shall remain in full force and effect, and shall apply to the required actions to be taken, and payments to be made, by the Secretary under this act in connection with the interstate system with the same force and effect that said provisions of the said legislation applied to such actions and payments in connection with the interstate system prior to the passage of this act, except that the provisions of this act shall supersede any provision of the said legislation which conflicts with a provision of this act, except that section 13 of the Federal-Aid Highway Act of 1950 shall not be applicable to the interstate system, and for the purposes of section 12 of the Hayden-Cartwright Act, the allocations made under this act shall not be deemed an apportionment."

Without objection the previous question was ordered on the motion to recommend.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 193, nays 221, not voting 20, as follows:

[Roll No. 132]

YEAS—193

Adair
Allen, Calif.
Allen, Ill.
Andersen,
H. Carl
Andresen,
August H.
Arends
Auchincloss

Avery
Ayres
Baker
Baldwin
Bass, N. H.
Bates
Baumhart
Beamer
Becker

Belcher
Bennett, Mich.
Bentley
Berry
Betts
Bolton,
Frances P.
Bolton,
Oliver P.

Bosch
Bow
Bray
Brooks, La.
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Bush
Canfield
Carrigg
Cederberg
Chase
Chenoweth
Church
Clevenger
Cole
Coon
Corbett
Coudert
Cramer
Cretella
Cunningham
Curtis, Mass.
Dague
Dawson, Utah
Derounian
Devereux
Dixon
Dodd
Dolliver
Dondero
Dorn, N. Y.
Ellsworth
Fenton
Fino
Fjare
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Gross
Gubser
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harvey
Henderson
Heseltun
Hess
Hiestand
Hill

Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Hope
Horan
Hosmer
Hyde
Jackson
James
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Judd
Kean
Kearns
Keating
King, Pa.
Knox
Laird
Lane
Latham
LeCompte
Lipscomb
Lovre
McConnell
McCulloch
McDonough
McGregor
McIntire
Macdonald
Mack, Wash.
Mailliard
Martin
Mason
Meader
Morrow
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Minshall
Morano
Moulder
Nelson
Nicholson
Norblad
O'Hara, Minn.
O'Konski
Osners
Ostertag
Patterson
Pelly
Phillips

Pillion
Poff
Prouty
Ray
Reed, Ill.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robison, Ky.
Rogers, Colo.
Rogers, Mass.
Sadlak
St. George
Saylor
Schenck
Scherer
Schwengel
Scott
Scrivner
Scudder
Seely-Brown
Sheehan
Short
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Kans.
Smith, Wis.
Springer
Taber
Talle
Taylor
Teague, Calif.
Thompson,
Mich.
Thomson, Wyo.
Tollerson
Utt
Van Felt
Van Zandt
Velde
Vorys
Vursell
Wainwright
Weaver
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Younger

NAYS—221

Abbott
Abernethy
Addonizio
Albert
Alexander
Alger
Andrews
Ashmore
Aspinall
Bailey
Barden
Barrett
Bass, Tenn.
Bell
Bennett, Fla.
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bowler
Boyle
Brooks, Tex.
Brown, Ga.
Buckley
Burleson
Burnside
Byrd
Byrne, Pa.
Byrnes, Wis.
Cannon
Carlyle
Carnahan
Celler
Chatham
Chelf
Christopher
Chudoff
Clark
Colmer
Cooley
Cooper
Crumpacker
Curtis, Mo.
Davidson

Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Deane
Delaney
Dempsey
Denton
Dies
Diggs
Dollinger
Donohue
Donovan
Dorn, S. C.
Dowdy
Doyle
Durham
Edmondson
Elliott
Engle
Evins
Fallon
Fascell
Felghan
Fernandez
Fine
Fisher
Flood
Flynt
Fogarty
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gentry
Gordon
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Gregory
Griffiths

Hagen
Haley
Harris
Harrison, Va.
Hays, Ark.
Hays, Ohio
Hayworth
Hébert
Herlong
Holfield
Holtzman
Huddleston
Hull
Ikard
Jarman
Jennings
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kilday
Kilgore
King, Calif.
Kirwan
Klein
Kluczynski
Knutson
Landrum
Lanham
Lankford
Lesinski
Long
McCarthy
McCormack
McDowell
McMillan
McVey
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon

Marshall
Matthews
Metcalf
Miller, Calif.
Mills
Mollohan
Morgan
Morrison
Moss
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Neill
Passman
Patman
Pfof
Philbin
Pilcher
Poage
Polk
Powell
Preston

Price
Priest
Quigley
Rabaut
Rains
Reuss
Rhodes, Pa.
Richards
Riley
Roberts
Robeson, Va.
Rodino
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rutherford
Selden
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed

Sullivan
Teague, Tex.
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Tumulty
Udall
Vanik
Vinson
Walter
Watts
Whitten
Wickersham
Wier
Williams, Miss.
Williams, N. J.
Willis
Winstead
Wright
Yates
Young
Zablocki
Zelenko

NOT VOTING—20

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn

Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins

Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley
Thompson, N. J.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Chiperfield for, with Mr. Anfuso against.
Mr. Hillings for, with Mr. Dingell against.
Mr. Reece of Tennessee for, with Mr. Eberharter against.
Mr. Krueger for, with Mr. Shelley against.
Mr. Kearney for, with Mr. Boykin against.
Mr. Radwan for, with Mr. Rivers against.
Mr. Gwinn for, with Mr. Thompson of New Jersey against.
Mr. Kilburn for, with Mrs. Buchanan against.

Until further notice:

Mr. Hardy with Mr. Reed of New York.

Mr. BOWLER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 123, nays 292, not voting 19, as follows:

[Roll No. 133]

YEAS—123

Addonizio
Albert
Alger
Allen, Calif.
Ashley
Bailey
Bass, N. H.
Baumhart
Bennett, Fla.
Bennett, Mich.
Biatnik
Boggs
Bolling
Bolton
Bolton, P.
Bolton, Oliver P.
Boyle
Brown, Ohio
Buckley
Burnside
Cannon
Carnahan
Celler
Christopher
Clark

Coon
Cooper
Davidson
Delaney
Dempsey
Diggs
Dixon
Dollinger
Dondero
Donovan
Doyle
Elliott
Evins
Fallon
Fascell
Fernandez
Fine
Forand
Frelinghuysen
Gentry
Gordon
Gray
Gregory
Griffiths
Hale
Hays, Ark.

Hays, Ohio
Hayworth
Hébert
Holmes
Holtzman
Hull
Ikard
Jennings
Johnson, Wis.
Jones, Mo.
Karsten
Kean
Kelly, N. Y.
Keogh
Kilday
Kling, Calif.
Klein
Kluczynski
Lesinski
McCarthy
McCormack
McCulloch
McGregor
Machrowicz
Mack, Wash.
Mailliard

Matthews
Metcalf
Miller, Calif.
Mills
Minshall
Moss
Multer
Murray, Ill.
Norblad
O'Brien, Ill.
O'Neill
Patman
Pfof
Powell
Price

Abbitt
Abernethy
Adair
Alexander
Allen, Ill.
Andersen
H. Carl
Andresen
August H.
Andrews
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barden
Barrett
Bass, Tenn.
Bates
Beamer
Becker
Belcher
Bell
Bentley
Berry
Betts
Blitch
Boland
Bonner
Bosch
Bow
Bowler
Bray
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brownson
Broynhill
Budge
Burdick
Burleson
Bush
Byrd
Byrne, Pa.
Byrnes, Wis.
Canfield
Carlyle
Carrigg
Cederberg
Chase
Chatham
Chelf
Chenoweth
Chudoff
Church
Clevenger
Cole
Colmer
Cooley
Corbett
Coudert
Cramer
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah
Deane
Denton
Derounian
Devereux
Dies
Dodd
Dolliver
Donohue
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham

NAYS—292

Priest
Prouty
Rabaut
Reuss
Rodino
Rooney
Schenck
Scherer
Scudder
Sheppard
Short
Sieminski
Slisk
Steed
Teague, Tex.
Thomas

Edmondson
Ellsworth
Engle
Feighan
Fenton
Fino
Fisher
Fjare
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Friedel
Fulton
Gamble
Garmatz
Gary
Gathings
Gavin
George
Granahan
Grant
Green, Oreg.
Green, Pa.
Gross
Gubser
Hagen
Haley
Halleck
Hand
Harden
Harris
Harrison, Nebr.
Harrison, Va.
Harvey
Henderson
Herlong
Heslton
Hess
Hiestand
Hill
Hinshaw
Hooven
Hoffman, Ill.
Hoffman, Mich.
Hollfield
Holt
Hope
Horan
Hosmer
Huddleston
Hyde
Jackson
James
Jarman
Jenkins
Jensen
Johansen
Johnson, Calif.
Jonas
Jones, Ala.
Jones, N. C.
Judd
Kearns
Keating
Kee
Kelley, Pa.
Kilgore
King, Pa.
Kirwan
Knox
Knutson
Laird
Landrum
Lane
Lanham
Lankford
Latham
LeCompte
Lipscomb
Long
Love
McConnell
McDonough
McDowell

Thompson, N. J.
Thompson, Tex.
Thornberry
Toilefson
Trimble
Tumulty
Udall
Vanik
Wainwright
Williams, N. J.
Willis
Yates
Young
Zablocki
Zelenko

Thompson, Mich.
Thomson, Wyo.
Tuck
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorrs
Vursell

Walter
Watts
Weaver
Westland
Wharton
Whitten
Wickersham
Widnall
Wier
Wigglesworth
Williams, Miss.

NOT VOTING—19

Anfuso
Boykin
Buchanan
Chiperfield
Dingell
Eberharter
Gwinn

Hardy
Hillings
Kearney
Kilburn
Krueger
Mumma
Perkins

Radwan
Reece, Tenn.
Reed, N. Y.
Rivers
Shelley

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Dingell for, with Mr. Boykin against.
Mr. Anfuso for, with Mr. Eberharter against.

Until further notice:

Mr. Rivers with Mr. Chiperfield.
Mr. Shelley with Mr. Hillings.
Mr. Hardy with Mr. Radwan.
Mrs. Buchanan with Mr. Reece of Tennessee.

Mrs. GREEN of Oregon, Mr. BROOKS of Louisiana and Mr. HYDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two houses on the amendments of the Senate to a bill and a joint resolution of the House of the following titles:

H. R. 3822. An act to amend title V of the Agricultural Act of 1949, as amended; and

H. J. Res. 157. Joint resolution to establish a Commission on Government Security.

MUTUAL SECURITY APPROPRIATION BILL, 1956

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 7224, the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill H. R. 6382, the Foreign Claims Settlement Commission bill, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file reports on the following bills: H. R. 3653, H. R. 4376, H. R. 4581, H. R. 5249, H. R. 6122, H. R. 6595, H. R. 7012, H. R. 7054, H. R. 7095, and H. R. 7364.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONSTRUCTION OF SURVEYING SHIPS FOR COAST AND GEODETIC SURVEY

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 847) to authorize construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the bill?

Mr. BONNER. Mr. Speaker, these two ships are to be built for the Coast and Geodetic Survey. The Coast and Geodetic Survey is now operating with 5 ships, 1 of which is 24 years old, another 37 years old, and the other 3 range in about that category.

The Coast and Geodetic Survey has not had a vessel built since sometime before the war, and only recently off the coast of Maine they had to use a vessel sent from the Pacific to do certain chart work necessary for the fishing fleet. The charting of the ocean shore south of the Virginia Capes is ancient; the chart has not been made there in many many years. These charts are similar and in the category with highway maps and are necessary to navigation on the high seas and inland waterways. There is no objection to the bill that I know of.

Mr. MARTIN. Was it reported unanimously by the committee?

Mr. BONNER. It was reported out of the Committee on Merchant Marine unanimously.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Maine.

Mr. HALE. May I ask the gentleman from North Carolina if this is not substantially the bill which was introduced by Senator PAYNE, of Maine, in the other body?

Mr. BONNER. That is my understanding, and the gentleman from Maine [Mr. HALE] appeared before the Merchant Marine Committee in behalf of the bill.

Mr. MARTIN. I understand about that bill and think it is a meritorious bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Does this provide for building ships?

Mr. BONNER. It provides for the building of two ships at a cost of \$3,700,000.

Mr. GROSS. The question I want to ask is whether they are to be built in American shipyards or British shipyards?

Mr. BONNER. They will be built in American shipyards by American labor and of American materials.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be constructed for the Department of Commerce two surveying ships of not over 2,500 displacement tons each, under a limit of cost of \$3,700,000 each, including costs of preparation of plans and specifications, cost of inspection during construction, and purchase or construction of complete equipment and outfit: *Provided,* That such limit of cost may be exceeded or shall be reduced by an amount equal to the percentage increase or decrease, if any, in ship construction cost generally dating from January 1, 1955, as determined by the Secretary of Commerce.

Sec. 2. There is hereby authorized to be appropriated to the Secretary of Commerce, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING JULY 28

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

Mr. HESELTON. Mr. Speaker, reserving the right to object, may I inquire of the majority leader whether it is the intention of the leadership to ask the House to meet at 10 o'clock on Friday and Saturday of this week?

Mr. McCORMACK. That probably might possibly be the case on Friday. I would not want to project my mind as far ahead as Saturday. I say "probably."

Mr. HESELTON. Can the majority leader indicate to the House his idea of adjournment at this time?

Mr. McCORMACK. That depends on what may occur in the next day or two. I would say we can reasonably expect to do so by next Tuesday or Wednesday. That would be my best guess. That is guesswork, of course, and anybody can guess as well as I can.

Mr. HESELTON. The leader feels it is necessary to come in at 10 o'clock tomorrow morning?

Mr. McCORMACK. I am making such a request.

Mr. GROSS. Mr. Speaker, reserving the right to object, is it now proposed, in view of the vote this afternoon in the House, to make a trial run of this natural-gas bill?

Mr. McCORMACK. The Natural Gas Act will be the first order of business tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING SECTION 2254 OF TITLE 28 OF THE UNITED STATES CODE

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. No. 1466), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5649) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING MODIFICATION OF EXISTING PROJECT FOR THE GREAT LAKES CONNECTING CHANNELS ABOVE LAKE ERIE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 319, Rept. No. 1467), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2552) to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE COMMITTEE ON EDUCATION AND LABOR TO CONDUCT CERTAIN STUDIES AND INVESTIGATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 316, Rept. No. 1468), which was referred to the House Calendar and ordered to be printed:

Resolved, That House Resolution 154, 84th Congress, is amended by striking out the words "within the United States" where it appears in said resolution and inserting in lieu thereof the words "within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico."

AMENDING DEFENSE PRODUCTION ACT OF 1950

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 320, Rept. No. 1469), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7470) to amend the Defense Production Act of 1950, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING CONSTRUCTION OF THE MISSISSIPPI RIVER - GULF OUTLET

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 321, Rept. No. 1470), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6309) to authorize construction of the Mississippi River-Gulf outlet. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE ALASKA RAILROAD

Mr. ENGLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3338) to amend section 1 of the act of March 12, 1914, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out lines 5 and 6 and insert "is amended by striking out 'but no lease shall be for a longer period than 20 years', and inserting in lieu thereof 'but no lease of such railroad or railroads shall be for a longer period than 20 years and no other lease authorized in this act shall be for a longer period than 55 years'."

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. H. CARL ANDERSEN. Mr. Speaker, reserving the right to object, will the gentleman inform the House as to what the Senate amendment is?

Mr. ENGLE. Mr. Speaker, this is a bill amending the act relating to the operation of the Alaska Railroad. The Alaska Railroad was authorized under that act to lease certain of its properties for not to exceed 20 years. They lease certain warehouse facilities and other industrial properties in connection with their operation. For the purpose of facilitating their banking they want the power to lease for 55 years, which was permitted in the House bill that was on the Consent Calendar and passed.

The Senate amendment makes it plain that we only permit the leasing of railroad facilities for 55 years and not the railroad itself; therefore, the Senate amendment is a qualifying amendment and the House committee has agreed to it.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. FEIGHAN asked and was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

Mr. QUIGLEY asked and was given permission to address the House for 15 minutes on tomorrow, following any special orders heretofore entered.

PAY TV OR FREE TV?—WHY NOT BOTH?

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Federal Communications Commission is pondering the question "Should subscription television be permitted to compete with free television?"

There is no toll, or fee, or tax on the programs that now come to your television screens.

The great expense of paying for the high-class talent that comes into your homes is borne by American business. In return, and via the medium of brief advertising messages, private enterprise is able to sell more of its products and services to you, thus securing the revenue

with which to support free television and to make a profit over and above these large costs.

Now it is proposed that we should also have subscription television, whereby you would pay a fee for each special program that you would choose to see.

The large networks, dependent as they are upon the revenue derived from sponsors, are lining up against pay-as-you-see television. While the smaller stations and the public seem to favor it.

Both sides are able to put up a good case.

In brief, those who advocate free TV—with commercials—point to the fact that since the end of World War II, television has grown from infancy to a robust adolescence. It has become an industry in which the American people have invested more than \$10 billion for 36 million sets. The annual volume of television advertising, set sales, servicing and operating, runs close to \$4 billion per year. All under the traditional American broadcasting policy of freedom to listen, and freedom to look.

Advertisers do not hesitate in spending large sums of money to bring the best in entertainment to a mass audience.

Under the present system, the broadcasters themselves, at their own expense and as a public service, present addresses by the President, and National, State, and local government officials. They also present, as a public service, educational, religious, operatic, and other cultural programs. Many of these programs have limited audience appeal, and are not sponsored. The broadcasters bear the very substantial cost of presenting these unsponsored public service programs, including interconnection charges and refunds of revenue to sponsors whose programs have to be canceled to make room for free public affairs programs.

If the pay television promoters should be successful, the more than 8 million people living in single station areas would be deprived of all free television service whenever pay television programs were broadcast. These 8 million people would be forced to contribute to the cash boxes of the pay television promoters for their TV programs, or have none at all. Low-income groups would be denied some of the entertainment that they are getting today.

On the other hand, those who favor pay TV, claim that under the fee system, the public will be able to get much better programs than they have been getting on an advertising sponsored basis. They maintain that the public is entitled to the best—not the worst—that Hollywood and Broadway can create. They propose to supplement with great box-office programs the present continuous stream of 20-year-old horse operas and other hackneyed programs that now fill in most of the short spaces between the long commercials.

Proponents of pay-as-you-see television maintain that you now take what the big broadcasters and big advertisers send you or nothing at all. You are given no choice. Everything is pitched to the lowest common denominator in order to reach a mass market. All parents want good programs available for the enter-

tainment and instruction of their children, for instance, but they also want a few adult programs for their own enjoyment. And there are grownups who want the opportunity to see something better than get-rich-quick programs.

Supporters of pay TV brand as ridiculous the charges that the new system would take over advertising sponsored programs. To spike this propaganda, they are asking the FCC to adopt a rule that no station can use more than 15 percent of its operating time on subscription TV.

To my way of thinking, each system has merits.

There is room for both, and a compromise can be worked out to provide a complete and well-rounded television service to the public.

Neither regimented nor exclusive.

The American people should have access to quality entertainment as well as quantity entertainment.

They are entitled to some freedom of choice.

THE MILITARY RESERVE BILL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, according to the New York Times, in his testimony before the other body on the Reserve bill recently adopted by the House, Admiral Radford is quoted as stating, in effect, "They would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1."

I presume that the admiral was speaking for the Joint Chiefs of Staff, rather than for the Navy Department, which has stated time and time again that it was able to mobilize its own Reserve and did not need additional enabling legislation. The same is true of the Air Force and the Marine Corps. None of these services need this bill to build their Reserve. They have set up and are maintaining their own Reserve systems based on the 1952 Reserve bill and their own traditional policies.

Only the Army, which has made no real effort to implement the 1952 Reserve bill, is pleading for this legislation.

The adherents of UMT, who urge compulsion as a basis for the solution of military manpower problems, are pressing vigorously for this bill. For them, the bill does not go far enough in regimenting American youth.

This Congress has repeatedly rejected UMT, and I do not believe that a straight UMT bill could pass this House at the present time. Building the Reserve up to almost 3 million in 4 years will create new and difficult problems. It will entail great expense. The proponents admit that it will cost about \$2 billion a year, but if we are to judge by past experience of military costs, this figure may well be doubled. It could easily go to \$3 billion a year.

In due course, the bill will require a huge, nationwide armory-building pro-

gram so that in a few years we will have Reserve armories spotted all over the country. Authorizations for this program are already pending. They have cleared the House Armed Services Committee. Then the Reserve armories will inevitably come to a dominant position over the National Guard, which has to build its armories, under State programs, on a Federal matching basis and cannot avail itself of the elements of compulsion in this legislation to build up its forces. None of the manpower mobilized by this bill is required to be channeled into the National Guard.

The National Guard is the worthy successor of the former militia, which has been a tradition in our country for over a century and a half. In every war this valiant force has stood the Nation in good stead. It has been comprised of fine, strong, young Americans, always schooled in their own communities in love of country, willingness to bear arms, and trained to defend it. In every war, the National Guard, the militia, so-called, has borne the brunt of the original attack, and contributed greatly to victory, and it did not require UMT or similar compulsory systems to organize this great force of loyal Americans.

When this Reserve bill gets into operation, for the first time in our history, the National Guard will lose its place and in time it is bound to diminish in size and importance and probably in the end lose its identity in a large Reserve system. I am such a strong supporter of the National Guard that I would never vote, under any circumstance, to dismantle it, or minimize its importance, because I think that it should always have its prominent place in our military system and our civilian defense and cannot and should not be relegated to any back seat in the Pentagon military chariot.

Another point I would like to make regarding this bill concerns its effect on American boys, who are drafted and then after 2 years service are required to serve 3 additional years in the Reserve. There are some escape provisions of a limited nature in the bill but, nevertheless, it is certain that under its operation a great many boys will fall into the category wherein they will be compelled to serve for 5 years of total active and Reserve service.

To my mind, this is not defensible or justifiable. When a boy has been drafted, taken by military decree away from his family, his home, his school or his job for 2 years and sent into foreign lands to serve, in a great many instances, under conditions of privation and hardship, that boy in peacetime should be absolved of further compulsory service. There is no justification for requiring him or any boy who has served 2 years to attend drills miles away from his home—in fact, for many it will be virtually impossible—and give up summer vacations in order to fulfill their military obligation, so-called.

How can an ordinary boy at school or at work take the alternative of serving 30 days of active service without seriously disrupting his life? Yet, if he does not comply with the law, under the bill, he may be court-martialed and inducted

for service against his will. This is not an American method. This is the method that has caused every great nation in history, which has followed it, to go down in bitter, humiliating defeat. The Maginot line with its drafted millions did not save France, the Hitler conscripts did not save Germany and compulsory military service in peacetime is no adequate guaranty for the United States. Nor is it consonant with our free way of life.

This country needs a professionalized Army, organized with regard to modern aircraft, weapons and techniques—the atom-hydrogen bombs, guided missiles, rockets and biological agents. An Army trained in close-order formations by correspondence school methods, drilling once a week, would be a woeful and wanton failure in modern military operations. Yet this bill moves in that direction.

Even the incentive provisions of the bill are discriminatory and unfair. Incentives are provided and then limited by quotas. For example, a man, who has been drafted and serves 1 year and then tries to transfer to a Ready Reserve unit in order to escape further active service, may very well find that the quota is exhausted and the door is closed to him.

Under the bill, some boys, who enlist between 17 and 18½ years of age, are obligated for a total period of 8 years, or under an alternative for overall active and Reserve service until they are 28 years' old.

It should be noted that the original bill presented to this House has undergone changes that have made it unrecognizable. As the New York Times points out:

First, the Senate and House began to compromise with the White House. Then they started to compromise with each other.

While the segregation issue has been adroitly sidestepped in the bill, it has left in its trail a smoldering resentment as yet fully unexpressed. It leaves lasting scars of bitterness long after the Nation's armed services have implemented the principle of integration.

Let me reiterate what I have stated so many times. Let us build strong professional Armed Forces rather than militarizing all our young men. We should immediately move to strengthen our Air Force, revamp the Army, reimplement the Navy, Marine Corps, and Coast Guard on a truly professional basis.

There has been serious question raised about the present strength of our Air Force, for example, on a comparative basis with the Soviet. Undoubtedly, our Air Force has great striking power and the capacity to deliver atomic-hydrogen weapons. That fact is well known to the Soviet and has unquestionably deterred aggressive measures. But why should we be trifling with building up puny, inadequate, unprofessional Reserve forces at this time, when our airpower is being challenged, and when it is believed by some that the Soviet is catching up to us rapidly in all categories of military strength.

If there is any doubt about our Air Force, it should be resolved fast, and that vital force should be brought to

greatest and overwhelming strength with utmost speed.

Every military man, indeed every well-informed civilian, knows that we cannot match the Soviet with manpower. The Soviet has access to huge mobilized manpower pools far beyond our capacity to rival. We can and must rely upon other factors for military strength, namely, the excellence and superiority of our scientific development, modern technology, and high-speed effective mass productivity. Our greatest and most potentially is our highly developed economy, which neither the Soviet nor any other nation in the world can match at this time. The armed services should capitalize to the fullest on this great national asset, and I think much more must speedily be done in this direction.

How long we can keep ahead, scientifically and technologically, in this struggle with world communism, I would not venture to predict because startling changes are occurring, and the Soviet now possesses many of our top secrets and many of our industrial and scientific techniques. Perhaps, in addition, they have some that we do not possess. But our great problem is to maintain and broaden our superiorities and advantages.

These questions are all paramount and their solution should be vigorously approached by the Congress. In fact, it is nothing short of shocking, after the many billions we have spent on defense in the past 10 years, that there should be any question raised now concerning the comparative striking power of our Air Force and the efficiency of other military components. It is plain to me that, if we are deficient in any category of armed strength, something is sorely lacking in our approach and overall program.

Congress does not fulfill its complete obligation, under the Constitution, by appropriating money for the military. Congress holds the purse strings, to be sure, but it also should observe and check the expenditures and make certain that the huge funds it appropriates are not wasted or extravagantly expended but used for the purposes intended. It is our sworn duty to get fair and full return for every dollar of the taxpayers' money which we appropriate.

Moreover, we must never overlook our responsibility for raising armed forces and providing for the common defense. That is our constitutional duty imposed upon us by the great charter of our liberty. It has broadest significance. It directs us to assume responsibility, not only for the adequacy, but for the kind of defense forces. It puts upon us above all to see to it that these forces are not only sufficient, but properly organized, adequately implemented and able to provide maximum defense and maximum striking power to protect the national security and to cope with world developments that may affect it at any time.

It would be well for us, before adjourning the Congress, to appraise whether we have accomplished these ends; to what extent, if in any significant way, we have provided for professionalized armed forces. To what extent our present forces may be in any respect inadequate. Can they do the job that

may be required of them? What about the leadership? What about the Joint Chiefs of Staff? What about the huge bureaucratic secretariat of the Defense Department? Is that functioning? How has it handled its procurement problems? What effect are its procurement policies having on the economy, on small business, on overall military efficiency? These are some of the questions that are of great interest to the American people and we have the responsibility of trying to answer them.

Above all we should not delay our solutions of armed forces problems because they are vital to our national existence in this perilous world. Let us stop dealing with trifles and nonessentials and get down to the business of installing efficiency, effectiveness, professionalism, and high morale into all the armed services. Then we will have moved truly to provide for the national defense in this dangerous era.

Under unanimous consent, I extend my remarks and include therein a recent New York Times article quoting Admiral Radford on the Reserve bill:

RADFORD PREFERS NO RESERVE BILL OVER HOUSE PLAN—WARNS OF NEED TO REORIENT DEFENSE IF EISENHOWER'S PROPOSALS ARE CHANGED

(By C. P. Trussell)

WASHINGTON, July 11.—Ranking military spokesmen told Congress today that they would rather have no new program for building up trained and Ready Reserves than the one adopted by the House of Representatives July 1.

Yet, said Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, if the authority required to build the present Ready Reserve from 800,000 to 2,900,000 in 4 years is not provided, there will have to be a complete review and reorientation of national defense planning.

The program now is before the Senate Armed Services Committee. It is in a form that largely modifies the administration's recommendations. It also is embroiled in controversy over its compulsory requirements for veterans. Those entering service after the Korean armistice of July 27, 1953, are obliged to assume added Reserve training obligations.

However, Admiral Radford told the committee that no drastic reduction of the standing strength of the armed services was planned by the high military command if Congress adopted the Reserve program favored by the Eisenhower administration.

RUSSELL TELLS OF RUMORS

Senator RICHARD B. RUSSELL, the Georgia Democrat heading the panel, said he was glad of this assurance. He mentioned hearing rumors that the administration might cut the defense budget up to \$7 billion next year should the Reserve bill become law. The current year's budget is \$31,882,000,000.

Senator RUSSELL has proposed a voluntary Reserve program under which veterans, needed as a "hard core" of the Reserves, would get a \$400 bonus for signing up for continued weekly drills and summer camps.

NO RECOGNITION FOR CHINESE REDS

Mr. PHILBIN. Mr. Speaker, I want to commend the distinguished and very able gentleman from Connecticut [Mr. Dobb] for his excellent statement recently appearing in the RECORD on the question of recognition of the Chinese Reds.

He admirably emphasized the salient features of the drive now taking place to effectuate the recognition of the Chinese Reds by this country and also to bring them into the United Nations.

Such action would constitute an ironical hoax upon many valiant Americans, who made the supreme sacrifice in Korea. It would be a travesty upon the service of all the gallant American boys, who struggled and fought in that faraway land under conditions never before imposed upon American fighting forces.

Fighting a modern war is a bloody enterprise and a bitter experience in itself. But when American boys were forced to stand up or lie down before a vicious bloodthirsty enemy under orders not to strike back, not to use all their resources to defeat the enemy, but rather to play a waiting game and let the enemy rain deathly blows upon them without retaliation, that represents one of the worst pages in American military history. In fact, because of this horrifying policy the Korean war is the only war this nation has not won. It is a blot upon the proud escutcheon of American arms placed there by incredible diplomacy.

The idea of permitting the Chinese Reds with their hands literally dripping with American blood to receive recognition by this Nation and to be admitted as a member of the United Nations, which is pledged to world peace and amity, would be a flagrant betrayal of American principles and a gross insult to all American boys who fought in the bitter Korean war.

Congressman Dobb made some reference to a very distinguished American, who recently urged that talks be commenced with the Chinese Reds in order to come to diplomatic agreements and institute trade relations. While I greatly respect the gentleman in question to whom Congressman Dobb referred, I must express my vigorous dissent from his views. I do not believe that he speaks either for the Democratic Party or the American people.

The bipartisan foreign policy, so-called, is misrepresented and misconstrued in many quarters. It should not be confused with the historic slogan followed by Americans since the institution of this Government that politics end at the water's edge. This expression means in effect that all Americans regardless of race, color, creed or party will stand by our country whenever it is assailed or threatened. It never was contemplated that there should be only one view expressed toward foreign policy.

The whole spirit of democracy is defeated when, by device, subterfuge, or slick methods, American citizens are deprived of an opportunity to express dissent and are prevented from declaring themselves squarely on great pending foreign issues. That is not democracy. It is the antithesis of democracy and to that extent the so-called bipartisan foreign policy is doing a disservice. This idea has been amplified far beyond its original meaning of national loyalty and it has now permeated, not only the Congress, but even the political conventions where in recent years definite steps have been taken to insure that only those holding to certain known views on for-

eign policy could be nominated for highest national offices.

In my opinion the American people are entitled not only to have these great questions debated freely and extensively in the Congress as befits their vital importance, but also to have the opportunity to express themselves at the polls on diametrically opposed viewpoints. This opportunity has been denied them for years now, and we are coming to a situation where foreign policy, even though it is never approved, and may be opposed by large numbers of the American people, is nevertheless given speedy approval by the bipartisan political action.

I am criticizing this situation even though in the past I have supported wholeheartedly international cooperation under qualifications and conditions, however, that would protect the clear interests of our Nation. I do not believe that it is healthy or sound from the strictly American viewpoint, by bipartisan action, so-called, or in any other way, to set up legislative arrangements which make it virtually impossible effectively to question any controversial measure of foreign policy.

The Chinese Reds are still holding many American prisoners of war against the provisions of the truce. Feeble indeed have been the efforts made to secure the release of these hapless American boys. This Government cannot move too fast or too vigorously to secure their release and I hope that measures now underway will be successful at an early date.

The Chinese Reds came into power as a result of one of the greatest conspiracies of history. They came as wolves, though they were portrayed to the American people as sheep asking only simple agrarian reform and not associated with the international Marxist plot to conquer the world for communism. What a foul and great lie. How despicable these gross misrepresentations were. The stark and tragic realities of the hour best illustrate the perfidious nature of that conspiracy.

If British suavity only superficially conceals British national interests, if that nation is acting on the mistaken assumption that it can save Hong Kong and other mercantile outposts in the Far East by going down the road with the Chinese Reds, I most respectfully submit that is their business. They will live to rue the day, I believe, but the fact that they have made a rapprochement with the bloody Chinese Reds certainly is no valid reason why this Nation should follow suit.

To the contrary, we should have our own foreign policy and we should not be tied to the coattails of any other nation. We welcome the cooperation of all friendly nations who are willing to associate to block communism, for the achievement of world peace, and we do not hide them for pursuing their national interests. It must be remembered that we have our own national interests and it is time that they were more fully considered in formulating foreign policy and especially in respect to our attitude toward Red China.

Rather than to consider recognizing additional nations that are bound to the Communist world conspiracy by bands of steel and bloody hands and are a definite functioning part of that unspeakable apparatus warring on our freedom, we might well be considering the withdrawal of recognition from Communist nations who have proved themselves by their acts to be unworthy of association with decent, free, God-loving peoples.

WINKING AT DUCK-BAITING VIOLATION BY THE DEPARTMENT OF THE INTERIOR

MR. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

THE SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MR. REUSS. Mr. Speaker, on June 8, 1955, I called to the attention of this House that we have had an absolute and well-justified Federal ban on shooting ducks over bait ever since 1935; that as reported by former Under Secretary of the Interior Ralph A. Tudor, California bankers and others who were dissatisfied with Federal duck-hunting regulations 2 years ago demanded the appointment of John L. Farley as Director of the Interior Department's Fish and Wildlife Service; that the appointment was made; that thereupon for the past 2 duck-hunting seasons Mr. Farley has permitted 140 duck-hunting clubs in California to shoot ducks lured by wheat and other bait placed as close as 200 yards to the guns; that these violations of the spirit and the letter of the Federal antibaiting laws have infected and demoralized the Federal Fish and Wildlife Service; that gamehogs in other States, notably Ohio and Maryland, have also been brazenly violating the Federal law, and the infection threatens to spread.

MR. FARLEY'S PRESS CONFERENCE

The next day, June 9, Fish and Wildlife Director Farley called a press conference to answer my charges that the Department of the Interior was winking at these law violations in California. Mr. Farley made no attempt to deny that the Department had in fact allowed the 140 California club owners to bait ducks 200 yards from the guns. His sole defense was that this was done not in response to a corrupt deal with the California club owners, but as a way to keep ducks off the ripening crops of California farmers. The Associated Press story of the conference, dateline June 9, gives the gist of Mr. Farley's defense:

Director Farley also took up Mr. Reuss' other main point—that California duck hunters are openly shooting ducks that have been lured by grain placed as close as 200 yards to the guns.

Mr. Farley said California is a special case, since ducks fly there during the growing season and destroy crops, such as rice and lettuce.

"Because of this," he said, "an experiment has been going on there for the last 2 years allowing duck-hunting clubs to lay out feed 200 yards away to keep the birds away from the crops."

Asked whether this has not resulted in wholesale killing of ducks in California, Mr. Farley said the results of the experiment have been inconclusive. He added:

"Frankly, I don't think we've learned much."

THE LOSTETTER REPORT

One thing Mr. Farley didn't mention at the June 9 conference was an official report of March 21, 1955, by Clinton H. Lostetter, biologist of the United States Fish and Wildlife Service, which was entitled "Report on California Waterfowl Feeding Regulations, 1954," and filed with the Department. Mr. Lostetter, Department biologist assigned to the California area, had the duty of investigating whether the Department's concession to the California club owners was in fact helping the California farmers in any way to prevent depredations to their crops.

Mr. Lostetter concluded that the Department's California duck-baiting program was a fraud, in that it gave away our waterfowl resources to California pressure groups without in any way benefiting the California farmer. After a 5-month study of the situation on the spot in California, Mr. Lostetter concluded that the Department's program was "a deceptive maneuver by the duck clubs through administrative channels to get legalized baiting—a disguised attempt to circumvent Federal regulations. Depredations have been used as a ruse to allow feeding on the clubs rather than for the farmers' benefit. I recommend that the California regulation be abolished."

SECRECY IN THE INTERIOR DEPARTMENT

It seemed to me, Mr. Speaker, that Congress and the American people ought to have an opportunity to look at the Lostetter report. For that reason, on July 18, 1955, I wrote the Honorable EARL CHUDOFF, chairman, Subcommittee on Public Works and Resources, House Committee on Government Operations, the following letter:

DEAR CONGRESSMAN CHUDOFF: Confirming our discussion on the floor today, I shall much appreciate it if you will request from the Department of the Interior the following two reports:

1. Report on California waterfowl feeding regulation, 1953.
2. Report on California waterfowl feeding regulation, 1954 (report dated March 21, 1955).

Both reports are by Clinton H. Lostetter, biologist, United States Fish and Wildlife Service.

I should appreciate being notified when these two reports are in the hands of the committee.

Sincerely,

HENRY S. REUSS,
Member of Congress.

The subcommittee staff on July 19 made a formal request to the Department of the Interior for the Lostetter report. From day to day they were promised that the report would be in their hands momentarily. Finally, at noon today, since the Department of the Interior had not yet delivered up the report, Mr. CHUDOFF telephoned Assistant Secretary of Interior Orme Lewis, and renewed the request. Assistant Secretary Lewis then, for the first time, refused to yield up the report.

WHY THE REPORT IS BEING SUPPRESSED

Mr. Speaker, I suggest that the reason the Department of the Interior refuses to let the Congress and the public look at the Lostetter report is that the report shows up the Department's duck-baiting giveaway for the fraud that it is. It shows that the Department of the Interior is mortgaged to the California club owners. It shows why Fish and Wildlife Director Farley suppressed mention of the report when he invited in the press on June 9 to explain the Department's position.

The reason the Department of the Interior will not produce the Lostetter report is because its production would cause the Department's duck-baiting program to collapse.

OTHERS AGREE WITH LOSTETTER

In addition to the Lostetter report, abundant evidence outside the Department of the Interior exists to show that the California duck-baiting program is a farce as far as preventing crop depredation is concerned. Here is what Dr. Ira N. Gabrielson, president of the Wildlife Management Institute of Washington, D. C., had to say on May 24, 1955, in a talk before the National Citizens Planning Conference on Parks and Open Spaces for the American People in Washington:

The California experimental feeding program has now been in effect for 2 years. Following the first year's operation, there was widespread criticism of the manner in which it had been carried out. A review of the information furnished by the California Department of Fish and Game does not indicate that the program has improved materially in its second year's operation and that it has had little value in reducing depredations, the chief reason given in justifying it.

In the first year, 141 clubs were licensed to feed and this year 140 clubs actually participated. The real depredations on the rice and other grain crops in California normally come before the hunting season, and feeding before the hunting season is probably the major contribution that this feeding program could possibly make. Reports indicate that in 1953, slightly under 20 percent of the total amount of feed provided was used prior to the hunting season; while in 1954, it was slightly over 20 percent. The total amount of food so provided is not great enough to provide any significant part of this food supply for waterfowl reported from California at that season, and it appears certain that, as far as reducing depredations is concerned, this has not been a conspicuous success.

SECRETARY MUST DECIDE

It should be noted that the baiting occurs only where the club owners wish to bait, not where it will do the most good to lure the ducks away from the farmers' fields. Baiting occurs not at the time when the depredations are greatest, but very largely during the open season when the baiters can shoot the ducks. Finally, shooting over baited areas means that the ducks tend to be driven right back to the farmers' fields, instead of being allowed to come in to feed over areas closed to shooting.

Next month, in August, it is up to the Department of the Interior to issue its regulations for the 1955 shooting season. The Secretary of the Interior will then have to stand up before the Na-

tion and announce whether he is going to permit these California duck clubs once again to flout the Federal anti-baiting laws.

USE OF SURPLUS GRAIN

There is no reason why the Department of the Interior cannot solve the problem of depredations by waterfowl to farmers' crops—and surely the Department, as custodian of our waterfowl resources, is responsible for solving this problem—without turning our waterfowl resources over to the tender mercies of the gamehogs who shoot over baited blinds.

In order to prevent crop damage by migratory waterfowl without killing off the waterfowl, I have today introduced for appropriate reference a bill which will permit the Secretary of the Interior to requisition surplus wheat no longer desirable for human consumption from the vast stocks of the Commodity Credit Corporation. As a result of the wheat price-support program for the last 5 years the CCC now has in storage more than 1 billion bushels of wheat, or enough to take care of the entire domestic needs for wheat for more than 60 years. Much of this wheat is now stored on the west coast, in Oregon, near to the areas of duck depredation. Much of this wheat has so deteriorated that it is no longer desirable for human consumption. In the first 6 months of 1955 the CCC disposed of 4 million bushels of wheat from its warehouses which had either spoiled or was in danger of spoilage. Out-of-condition wheat is extremely attractive food for ducks, and guaranteed to lure them away from depredations on farmers' crops.

MUCH WHEAT AVAILABLE

Under the bill which I have introduced, the Secretary of the Interior would make such grain available to Federal, State, and local agencies, and to private persons and organizations, for the purpose of feeding ducks without, of course, shooting them, and thus luring them away from farmers' crops. The feeding program could be carried on wherever ducks are bothering farmers, whether in the open season or out of the open season.

The amount of deteriorated wheat now held by the CCC is vastly in excess of what would be required for such a feeding program. For example, if each of the 140 duck-hunting clubs in California which are now shooting over bait disposed of 100 bushels of wheat a season, this would be a total of 1,400 bushels. It is estimated that there are at least 500,000 bushels of CCC wheat now either deteriorated or in imminent danger of deteriorating. This includes "sick" wheat, and wheat containing weevils or rat pellets. The most massive and adequate duck-feeding program imaginable, therefore, would hardly be a dent in the stock of deteriorated wheat now held by the CCC.

BILL WILL SAVE FARMERS FROM DUCKS, DUCKS FROM CLUB OWNERS

Enactment of this bill will save the California rice and grain farmers from the ducks. At the same time, it will save the ducks from the California club

owners who have been shooting them over baited blinds. It will provide a useful outlet, at no cost to the taxpayers, for CCC wheat which would otherwise go to waste. It will save further storage costs, and relieve already bulging warehouses. It will stop the growing disregard for Federal law, and the consequent demoralization of the Fish and Wildlife Service, which the Department of the Interior is fostering when it winks at duck baiting.

Mr. Speaker, I hope that the Department of the Interior will come to its senses and call off this vicious duck-baiting program. I hope it will restore the morale of its Fish and Wildlife agents by encouraging them vigorously to enforce the antibaiting law. I hope it will press for enactment of the bill I have today introduced to prevent depredations to California farmers. And I hope it will stop kidding the press and the public by continuing to suppress evidence of its own mishandling of our priceless migratory waterfowl resources.

MEETING AT THE SUMMIT

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I take this time in order to call to the attention of the membership a report from France saying that Premier Faure had disclosed today that the last-hour proposal by President Eisenhower had broken the deadlock at the Geneva Conference and insured its success. I am not saying, Mr. Speaker, that in order to have a successful conference there must not be secret negotiations, but we were advised repeatedly that there were no secret concessions at the summit. I quote from this article:

The secrecy of the final conference session prevented M. Faure from explaining just what the items were that deadlocked the conference or what Mr. Eisenhower proposed, in order to break the deadlock.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Does the gentleman not believe that it would be better for us to continue our foreign policy by open covenants openly arrived at, as fully enunciated by President Wilson?

Mr. ZABLOCKI. It is my opinion that open covenants are preferable, but I am sure the gentleman will admit that they cannot be arrived at in open negotiations and agreement.

Mr. Speaker, the article further states that—

President Eisenhower said he was going to put an end to the discussion because the conference had to succeed, that he was thus going to make a concession, and that the important thing was to keep the spirit of the conference afterward so that good results could be reached.

Further, M. Faure referred briefly to what he called another deeply moving

moment of the final restricted session of the chiefs of government. This also took place on Saturday, he said, when Mr. Eisenhower spoke about the future of the world in the little room where the chiefs of government had withdrawn. I hope that this report is in error in this respect—that the first concession was made by President Eisenhower, because I would like to believe that President Eisenhower and Secretary of State Dulles have accurately reported to the Congress and the people on the recent meeting at the summit.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

GENERAL LEAVE TO EXTEND

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the road bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMER. Mr. Speaker, I have again gone to the people for counsel and advice in another Cramer citizens' poll before voting on a measure that would vitally affect their homes and lives. By telephone I made a poll sampling opinion of the entire First District of Florida in an effort to determine the wishes of my constituents on the subject now before us and asked that they express their opinion to me as to the method they preferred of financing the proposed highway program.

In my telephone poll both methods of proposed financing—the President's pay-as-you-use bond-issue program and the committee tax measure that would provide pay-as-you-go financing—were stated.

The question asked was: "As you know, there is a proposal before Congress to authorize a Federal road-building program at a cost of \$36 billion. It is generally agreed this program is needed. The construction period of the program extends over 10 to 15 years. How would you suggest paying for this program? First, pay-as-you-use, as suggested by President Eisenhower, involving no additional taxes and a bond issue with interest of \$11 billion over a 30-year period; or, second, pay-as-you-go plan, with additional taxes now of \$12 billion extending over a 15-year period, principally being an additional 1-cent-per-gallon increased gasoline tax, 2 cents additional on diesel fuel, added taxes on trucks and busses and large tires, exempting off-the-road users?"

The result of that poll was 77.72 percent in favor of the President's program and 22.27 percent in favor of the committee bill tax-payment plan.

This poll was taken through telephone poll captains disbursed throughout the district, who called indiscriminately people in the area. In a period of a few short hours over 2,000 people had been personally contacted and asked the question involved, and, as the figures show, the result was decisive. It is important to note that the poll was taken on the morning of the day the House voted on

the measure and after full publicity had been given the matter and my office was advised of the results in the early afternoon.

It appears that the poll clearly indicates that the people of the First District of Florida do not look kindly upon, nor are they willing to accept, additional taxes at this time, even for such a worthy project as this highway bill.

I supported the Eisenhower proposal in the Dondero bill, which would have provided an adequate road system without additional taxes only after due and deliberate consideration which, of course, I had an opportunity to make after some 11 weeks of the hearings before the Public Works Committee of which I am a member. I supported this plan in committee, feeling all along that the temperament of this Congress was not one to accept additional taxes at this time and that this reflected the feeling of the people all over the country. It was my sincere effort to work for a bill that had a reasonable chance of passage and that would accomplish the much-needed highway construction purpose.

I believe that such a poll as has been taken in this instance reflects a good cross section of opinion in my district, and after lengthy consideration I felt obligated to vote consistent therewith.

THE GENEVA CONFERENCE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, with respect to what has just been said about the report relative to the Geneva Conference, certainly there was nothing said in that report that would in any way indicate that any secret agreement was made. As far as I am concerned, when President Eisenhower assured the American people and all of us that no such secret agreements were made, I believed him, and until something else is disclosed other than some insinuation about some report from the French Minister then in attendance, I think we ought to go along with the proposition that no such secret agreements were made, because so far as I am concerned, none were made.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. JUDD. The story from which the gentleman from Wisconsin read does not say any secret agreements were made. Such an implication was given, but the story itself does not say so.

Mr. HALLECK. Any attempt to read into the record insinuations of that kind does a disservice to the welfare of the country.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield for a mere correction?

Mr. HALLECK. Yes.

Mr. ZABLOCKI. I did not state I thought there were secret agreements made, but there were secret negotiations.

Mr. JUDD. Nobody ever denied there were secret negotiations. That was reported openly in the press.

Mr. HALLECK. The gentleman used the words secret agreements.

The SPEAKER. The time of the gentleman has expired.

SPECIAL ORDER GRANTED

Mr. MARSHALL asked and was given permission to address the House for 20 minutes on Monday next, following the legislative program and any special orders heretofore entered.

LIBERIA'S CENTENNIAL

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 30 minutes.

Mr. POWELL. Mr. Speaker, I rise today to send greetings to the country of Liberia, which is today celebrating its centennial, and to salute His Honor, the President, William V. S. Tubman, who was recently reelected, and to extend our congratulations to the Ambassador of Liberia, Mr. Simpson.

Historically and culturally Liberia's roots are more closely intertwined with those of the United States than any other nation in the world. The people of the United States were directly responsible for the founding of Liberia. The first settlers of Liberia came from the United States.

The two nations have helped each other in peace and in war for more than 130 years. Liberia is the only nation on the continent of Africa on which the United States has been able to rely as an ally beyond question. The United States has aided materially in the economic development of Liberia.

WILLIAM V. S. TUBMAN

William Vacanarat Shadrach Tubman is the 18th President of the Republic of Liberia. He was elected in 1943 to serve a term of 8 years, and reelected in 1951 for a second term of 4 years.

Mr. Tubman was born at Harper, Maryland County, Liberia, in 1895. His father was Alexander Tubman, speaker of the Liberian House of Representatives, senator, and Methodist minister, a descendant of early settlers who came to Liberia in 1834 from Augusta, Ga. President Tubman's mother, Elizabeth Rebecca (Barnes), emigrated from Atlanta, Ga., in 1872.

President Tubman was graduated in 1913 from the Cape Palmas Seminary, a Methodist missionary school, and pursued higher studies under private tutelage. He later taught in the local elementary schools. At the same time he read law, passed examinations, was called to the bar, and took silk in 1917.

During the administration of President Howard, Mr. Tubman was appointed recorder in the monthly and probate court, collector of internal revenue for Maryland County, and, in 1919, county attorney. As a soldier in the Liberian Army, Mr. Tubman rose through the ranks from private to colonel.

In 1928, when he was 33 years old, Mr. Tubman's unusual ability and leadership was recognized in his election to the national legislature as the youngest senator in the history of his nation. He served as senator with marked distinction until 1937, when President Edwin J. Barclay appointed him as associate justice of the Supreme Court of Liberia. He served in this capacity until he was elected President.

Mr. Tubman is a member of Phi Beta Sigma, past grand master of the Ancient Free and Accepted Masons of Liberia, past district deputy grand master of the United Brothers of Friendship, and past district supervisor of lodges of the Grand United Order of Odd Fellows. Honorary degrees conferred upon President Tubman include that of doctor of laws from Liberia College and Wilberforce University, and doctor of civil laws and doctor of philosophy from the University of Liberia.

Mr. Tubman is married to the former Antoinette Padmore, granddaughter of President Arthur Barclay. He is the father of five children. His eldest son, William, Jr., was graduated from Governor Dummer Academy in Massachusetts and entered Harvard University in 1954.

Under President Tubman's leadership vast programs have been successfully undertaken for the development of the human, natural, and economic resources of Liberia. These have literally transformed the face of great areas of his country, established his nation as an active participant in world affairs, and resulted in improvement and prosperity unparalleled in his nation's history. This has enabled vigorous prosecution of effective programs to extend public education, improve public health, increase public works, intensify industry and agriculture, expand foreign trade, improve public administration, and make great strides in the political integration and development of the nation.

Always active in church and religious affairs, President Tubman first visited the United States in 1928 as a delegate to the general conference of the Methodist Episcopal Church, held at Kansas City, Mo. His second visit to the United States was during World War II, when, in 1943, as President-elect, he accompanied President Edwin Barclay in response to the invitation of President Franklin D. Roosevelt; his visit of 1954 at the invitation of President Dwight D. Eisenhower.

These are the administration accomplishments:

Women's suffrage.

The right to vote to the tribes of the Interior.

Tribal representation in the national legislature.

Revision of the election laws and adoption of the Australian ballot.

Closer integration of tribal government with the Central government.

Creation of gold reserve and other financial reforms.

Creation of a system of rural clinics and hospitals.

Expansion of public and higher education in Liberia and technical and spe-

cialized vocational training abroad under Government scholarships.

Establishment of nationwide communication facilities.

Air strips and extension of the road system throughout the nation.

Establishment of a nationwide agricultural research and extension service.

Broadening of diplomatic relations with principal nations and expansion of the Liberian foreign service.

Charter participation in the United Nations, its constituent agencies and other international bodies.

An open-door policy of immigration and encouragement of foreign commerce and investment in Liberia.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. FULTON. I want to congratulate the gentleman from this side of the House, and also to compliment Liberia on awarding a decoration to Mrs. Robert Vann, publisher of the Pittsburgh Courier, as one of Pittsburgh's outstanding citizens.

Mr. POWELL. I thank the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to the gentleman.

Mr. EDMONDSON. I join in expressing appreciation of what my colleague has done in his salute to a fine country and a good friend. I also express appreciation of the friendship which President Tubman has demonstrated toward our country.

Mr. POWELL. I thank the gentleman.

SHOOTING DOWN OF PLANE BY BULGARIAN COMMUNISTS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 5 minutes.

Mr. FEIGHAN. Mr. Speaker, this morning a Constellation of Elal Israel Air Line carrying 57 persons was shot down by Bulgarian Communists. According to Greek information sources, this Israeli plane was shot down on the Greek Bulgarian border while flying its regular normal passenger route, in a proper established air lane.

Among the 57 passengers who perished were 3 Americans. While their identities have not as yet been known, it is understood they were 2 women and a child under 10 years of age, Greek information sources state.

Informed sources reveal that the Israeli Government has not as yet made an official protest, but they are currently attempting to get permission for a Commission of Inquiry to enter Bulgaria in order to obtain the full facts.

We have been led to believe that the leaders of the Communist conspiracy wanted peace; that they were willing to give up their conspiratorial aims; that they would no longer engage in acts of aggression against peace loving nations.

It is only several days after the ending of the recent Conference that the commercial airliner of a small nation

which but recently gained its independence, and which beyond any doubt has no military capabilities to carry out any aggressive acts against the U. S. S. R. or any of its colonies, was shot down.

Israeli's plane, without provocation, without cause, and in cold blood, was shot down by Bulgarian Communist planes, an element of the international Communist conspiracy, according to informed sources.

The time has arrived for us to recognize that here is a practical demonstration—a demonstration by deed, of what the Communist leaders mean when they claim to be advocates of peaceful co-existence. This act constitutes a clear threat to peace. I therefore am today calling upon the Secretary of State to take steps to cause the United Nations to demand the right by a commission made up of representatives of non-Communist nations to make a full and unhindered inquiry into this latest act of aggression by the Communists. Failure on the part of free men to establish guilt and assess penalties for such acts of aggression can lead us only down the path to world war III.

Mr. MACHROWICZ. Mr. Speaker, will the gentleman yield?

Mr. FEIGHAN. I am very happy to yield to the distinguished gentleman from Michigan.

Mr. MACHROWICZ. I commend my colleague on his statement about this unfortunate incident. Those of us who have studied Communist aggression, and I know the gentleman from Ohio has been a member of a committee, together with me, which made an intensive study of this situation, have long ago warned Congress and the American public that we cannot trust Communist promises. Incidents of this kind are bound to happen again in the future.

Mr. FEIGHAN. I thank the gentleman very much for his very illuminating contribution.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HYDE and to include an address.

Mr. SCHENCK.

Mr. MILLER of Nebraska in two instances and in one to include an address.

Mr. FORRESTER and to include extraneous matter.

Mr. FEIGHAN in two instances and to include extraneous matter.

Mr. KELLEY of Pennsylvania.

Mr. REUSS and to include extraneous matter.

Mr. METCALF and to include extraneous matter.

Mr. DOYLE and to include extraneous matter.

Mr. WOLVERTON and to include extraneous matter.

Mr. BURDICK.

Mr. DONOHUE and to include extraneous matter.

Mr. MULTER in two instances and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 56. An act authorizing construction of certain public works on the Mississippi River for the protection of St. Louis, Mo.; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. BURLERSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2107. An act to amend the National Defense Facilities Act of 1950 to provide for additional facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes;

H. R. 2109. An act to authorize permanent appointments in the United States Navy and in the United States Marine Corps;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Administration to the State of Louisiana;

H. R. 6259. An act to amend section 8 of the act entitled "An act to establish a District of Columbia Armory Board and for other purposes," approved June 4, 1948; and

H. R. 7029. An act to establish a Permanent Committee for the Oliver Wendell Holmes Devise, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 667. An act to exempt meetings of associations of professional hairdressers or cosmetologists from certain provisions of the acts of June 7, 1938 (52 Stat. 611), and July 1, 1902 (32 Stat. 622), as amended;

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A. National Memorial, Inc., in the District of Columbia;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress.

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia;

S. 2427. An act to provide for the payment of compensation to officers and members of the Metropolitan Police force, the United States Park Police force, the White House Police force, and the Fire Department of the District of Columbia, for duty performed on their days off, when such days off are suspended during an emergency;

S. 2428. An act to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department, of the District of Columbia, the United States Park Police, and the White House Police, and for other purposes; and

S. 2592. An act to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLERSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his

approval, bills and a joint resolution of the House of the following titles:

On July 26, 1955:

H. R. 2866. An act to declare a certain portion of the waterway (a section of the Acushnet River) in the city of New Bedford and the towns of Fairhaven and Acushnet, Mass., a nonnavigable stream;

H. R. 3281. An act for the relief of Herbert Roscoe Martin;

H. R. 3359. An act for the relief of Raymond George Palmer;

H. R. 4001. An act to provide for the management and disposition of certain public domain lands in the State of Oklahoma;

H. R. 4362. To act to amend the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes," approved September 3, 1954; and

H. R. 4904. An act to extend the Renegotiation Act of 1951 for 2 years.

On July 27, 1955:

H. R. 2150. An act to further amend section 106 of the Army-Navy Nurses Act of 1947 so as to provide for certain adjustments in the duties of rank of nurses and women medical specialists of the Regular Army and Regular Air Force in the permanent grade of captain, and for other purposes;

H. R. 2755. An act for the relief of Benjamin Johnson;

H. R. 2783. An act for the relief of Andrew Wing-Huen Tsang;

H. R. 2944. An act for the relief of Franziska Lindauer Ball;

H. R. 2947. An act for the relief of Emelda Ann Schallmo;

H. R. 2949. An act for the relief of Jose Armando Quaresma;

H. R. 2972. An act to require the recordation of scrip, lieu selection, and similar rights;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3270. An act for the relief of Giuseppe Arsena;

H. R. 3354. An act for the relief of Julius G. Watson;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3624. An act for the relief of Olga I. Papadopoulos;

H. R. 3625. An act for the relief of George Vourderis;

H. R. 3629. An act for the relief of Mrs. Nika Kirihara;

H. R. 3630. An act for the relief of Mrs. Uto Ginoza;

H. R. 3726. An act for the relief of Mr. Gino Evangelista;

H. R. 3786. An act to incorporate the Army and Navy Legion of Valor of the United States of America;

H. R. 3864. An act for the relief of Mrs. Elizabeth A. Traufeld;

H. R. 3871. An act for the relief of Orville Ennis;

H. R. 4044. An act for the relief of Bural Lyden and others;

H. R. 4106. An act to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes;

H. R. 4146. An act for the relief of Adelheid (Heidi) Glessner (nee Schega);

H. R. 4147. An act for the relief of Angelo DeVito;

H. R. 4198. An act for the relief of Howard L. Gray;

H. R. 4218. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment, and to provide certain services to the Girl Scouts of the United States of America for use at the Girl

Scout Senior Roundup Encampment, and for other purposes;

H. R. 4280. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands;

H. R. 4284. An act for the relief of Mrs. Mariannina Monaco;

H. R. 4289. An act for the relief of Vladislav Bevo;

H. R. 4455. An act for the relief of Christa Harkrader;

H. R. 4707. An act for the relief of Duncan McQuagge;

H. R. 4717. An act to provide for the release of the express condition and limitation on certain land heretofore conveyed to the trustees of the village of Sag Harbor, N. Y.;

H. R. 4727. An act to permit the issuance of a flag to a friend or associate of the deceased veteran where it is not claimed by the next of kin;

H. R. 4747. An act to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed in such city;

H. R. 4886. An act to provide that active service in the Army and Air Force shall be included in determining the eligibility for retirement of certain commissioned officers of the Navy, Marine Corps, and Coast Guard;

H. R. 5283. An act for the relief of Artur Swislocki or Arthur Svislotzki;

H. R. 5893. An act to amend paragraph 1 (a), part I of Veterans Regulation No. 1 (a), as amended, to make its provisions applicable to active service on and after June 27, 1950, and prior to February 1, 1955, and for other purposes;

H. R. 6277. An act to amend subsection 303 (c) of the Career Compensation Act of 1949 relating to transportation and storage of household goods of military personnel on permanent change of station;

H. R. 6396. An act for the relief of Valerie Anne Peterson;

H. R. 6613. An act for the relief of Yuji Doi and Mrs. Matsuyo Yamaoka Doi;

H. R. 6980. An act providing for the conveyance of the Old Colony project to the Boston Housing Authority;

H. R. 7194. An act to authorize subsistence allowances to enlisted personnel; and

H. J. Res. 359. Joint resolution to authorize the designation of October 22, 1955, as National Olympic Day.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 28, 1955, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE: Committee of conference, H. R. 3990. A bill to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (Rept. No. 1447). Ordered to be printed.

Mr. KEOGH: Committee on Ways and Means. H. R. 5428. A bill to amend the Internal Revenue Code of 1954 to provide that chapter 71 relative to transferees and fiduciaries shall apply with respect to any tax imposed by the Internal Revenue Code of 1939; with amendment (Rept. No. 1448). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H. R. 3822. A bill to amend title V of the Agricultural Act of 1949, as amended, by striking out the termination date (Rept. No. 1449). Ordered to be printed.

Mr. COOLEY: Committee of conference. H. R. 2851. A bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts (Rept. No. 1450). Ordered to be printed.

Mr. DAWSON of Illinois: Committee on Government Operations. S. 2277. An act authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such lands from the city; without amendment (Rept. No. 1452). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6182. A bill to amend the Federal Property and Administrative Services Act of 1949 to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; without amendment (Rept. No. 1453). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7156. A bill to provide for the conveyance of certain land of the United States to the board of county commissioners of Lee County, Fla.; without amendment (Rept. No. 1454). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 7227. A bill to amend further the Federal Property and Administrative Services Act of 1949, as amended, to authorize the disposal of surplus property for civil defense purposes, to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law, and for other purposes; with amendment (Rept. No. 1455). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Third intermediate report of the Government Operations Committee; without amendment (Rept. No. 1456). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Fifth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1457). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Sixth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1458). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7092. A bill to provide for the improvement of the Mississippi River at and in the vicinity of St. Louis, Mo., for flood control; with amendment (Rept. No. 1459). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 6857. A bill

to authorize the Administrator of the General Services Administration to convey certain land to the city of Milwaukee, Wis.; without amendment (Rept. No. 1460). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 7195. A bill to provide for the reconveyance of lands in certain reservoir projects in Texas to former owners of such lands; with amendment (Rept. No. 1461). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7367. A bill to amend the Agricultural Adjustment Act of 1938, as amended; with amendment (Rept. No. 1462). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1757. An act to amend the act known as the "Agricultural Marketing Act of 1946," approved August 14, 1946; with amendment (Rept. No. 1468). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 585. A bill to authorize the conveyance to Lake County, Calif., of the Lower Lake Rancheria; with amendment (Rept. No. 1464). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7284. A bill to provide for the conveyance to the State of North Dakota, for use as a State historic site, of the land where Chief Sitting Bull was originally buried; with amendment (Rept. No. 1465). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 318. Resolution for consideration of H. R. 5649, a bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 1466). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 319. Resolution for consideration of H. R. 2552, a bill to authorize the modification of the existing project for the Great Lakes connecting channels above Lake Erie; without amendment (Rept. No. 1467). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 316. Resolution to authorize the Committee on Education and Labor to conduct studies and investigations in the United States, its Territories and possessions, and the Commonwealth of Puerto Rico; without amendment (Rept. No. 1468). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 320. Resolution for consideration of H. R. 7470 a bill to amend the Defense Production Act of 1950, as amended; without amendment (Rept. No. 1469). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 321. Resolution for consideration of H. R. 6309, a bill to authorize construction of the Mississippi River-Gulf outlet; without amendment (Rept. No. 1470). Referred to the House Calendar.

Mr. DAWSON of Illinois: Committee on Government Operations. Fourth intermediate report of the Government Operations Committee; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Seventh intermediate report of the operations of the Alaska Roads Commission; without amendment (Rept. No. 1472). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7618. A

bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; with amendments (Rept. No. 1473). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7619. A bill to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes; without amendment (Rept. No. 1474). Referred to the Committee of the Whole House on the State of the Union.

Mr. RICHARDS: Committee of conference. H. R. 6382. A bill to amend the International Claims Settlement Act of 1949, as amended, and for other purposes (Rept. No. 1475). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6625. A bill to provide for the transfer of title to certain land and the improvements thereon to the Pueblo of San Lorenzo (Pueblo of Picuris), in New Mexico, and for other purposes; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. House Joint Resolution 353. Joint resolution to authorize the Secretary of the Interior to execute a certain contract with the Toston Irrigation District, Mont.; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6994. A bill to provide for entry and location, on discovery of a valuable source material, upon public lands of the United States classified as or known to be valuable for coal, and for other purposes; with amendments (Rept. No. 1478). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 7248. A bill to amend the act extending the exterior boundary of the Uintah and Ouray Indian Reservation in the State of Utah so as to authorize such State to exchange certain mineral lands for other lands mineral in character; without amendment (Rept. No. 1479). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6824. A bill to authorize the amendment of the restrictive covenant on land patent No. 10,410, issued to Keoshi Matsunaga, his heirs and assigns, on July 20, 1936, and covering lot 48 of Ponahawai house lots, situated in the county of Hawaii, T. H.; without amendment (Rept. No. 1480). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6461. A bill to amend section 73 (1) of the Hawaiian Organic Act; without amendment (Rept. No. 1481). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5169. A bill to repeal clause (d) of the proviso contained in the act of August 2, 1937, as amended, and for other purposes; without amendment (Rept. No. 1482). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 5566. A bill to terminate the existence of the Indian Claims Commission; with amendments (Rept. No. 1483). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6463. A bill to ratify and confirm section 4539, Revised Laws of Hawaii 1945, section 1 (b), act 12, Session Laws of Hawaii 1951, and the sales of public lands consummated pursuant to the terms of said statutes; without amendment (Rept.

No. 1484). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6807. A bill to authorize the amendment of certain patents of Government lands containing restrictions as to use of such lands in the Territory of Hawaii; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6945. A bill to amend the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, so as to permit per capita payments to the individual members of the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation in Wyoming, to be made quarterly; without amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Post Office and Civil Service. H. R. 4569. A bill to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENKINS: Committee on Ways and Means. H. R. 3653. A bill to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; with amendment (Rept. No. 1488). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 4376. A bill to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments; with amendments (Rept. No. 1489). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Pennsylvania: Committee on Ways and Means. H. R. 4581. A bill to amend section 4091 of the Internal Revenue Code of 1954 (relating to imposition of tax upon lubricating oils) and to amend section 6416 (b) of the Internal Revenue Code of 1954 (relating to overpayments of tax); with amendments (Rept. No. 1490). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 5249. A bill to amend the Internal Revenue Code of 1954 to provide for refund or credit of internal revenue taxes and custom duties paid on distilled spirits and wines lost, rendered unmarketable, or condemned by health authorities as a result of the hurricanes of 1954; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 6122. A bill to remit the duty on certain bells to be imported for addition to the carillons of The Citadel, Charleston, S. C.; without amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORAND: Committee on Ways and Means. H. R. 6595. A bill to amend certain provisions of law relating to the estate tax; with amendments (Rept. No. 1493). Referred to the Committee of the Whole House on the State of the Union.

Mr. EBERHARTER: Committee on Ways and Means. H. R. 7012. A bill to amend section 209 (a) of the Technical Changes Act of 1953; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the State of the Union.

Mr. BAKER: Committee on Ways and Means. H. R. 7054. A bill to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers; with amendments (Rept. No. 1495). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOPER: Committee on Ways and Means. H. R. 7095. A bill to provide that the tax on admissions shall not apply to certain athletic events held for the benefit of the United States Olympic Association; with amendment (Rept. No. 1496). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCCARTHY: Committee on Ways and Means. H. R. 7364. A bill relating to the application of the documentary stamp tax to transfers of certain installment obligations; without amendment (Rept. No. 1497). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALEXANDER: Committee on Post Office and Civil Service. S. 1849. An act to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment; with amendments (Rept. No. 1498). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2098. An act to amend Public Law 83, 83d Congress; with amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. S. 2403. An act to authorize the dual employment of custodial employees in post office buildings operated by the General Services Administration, and for other purposes; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the State of the Union.

Mr. PASSMAN: Committee of conference. H. R. 7224. A bill making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes; without amendment (Rept. No. 1501). Ordered to be printed.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 1603. A bill to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects; without amendment (Rept. No. 1502). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. H. R. 7628. A bill to authorize the appointment in a civilian position in the White House office of Maj. Gen. John Stewart Bragdon, United States Army, retired, and for other purposes; without amendment (Rept. No. 1451). Referred to the Committee of the Whole House.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6927. A bill providing for the conveyance to St. Louis Church of Dunseith, Dunseith, N. Dak., of certain lands on the Turtle Mountain Indian Reservation; with amendment (Rept. No. 1503). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 7629. A bill to amend the Reserve Officer Personnel Act of 1954 to provide for the retention on active duty of certain officers; to the Committee on Armed Services.

By Mr. BOLAND:

H. R. 7630. A bill to amend section 5051 (a) of the Internal Revenue Code of 1954 to aid small business and discourage continued

concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 7631. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the classes of mail and services; to the Committee on Post Office and Civil Service.

H. R. 7632. A bill authorizing the Postmaster General to include certain indirect costs in determining the total costs of the parcel-post service; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H. R. 7633. A bill to provide means for the granting of career-conditional and career appointments in the competitive civil service to certain qualified employees serving under temporary or indefinite appointments having not less than 10 years of aggregate service; to the Committee on Post Office and Civil Service.

By Mr. KEAN:

H. R. 7634. A bill to provide that amounts which do not exceed 61 cents shall be exempt from the tax imposed upon amounts paid for the transportation of persons; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 7635. A bill to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. KILGORE:

H. R. 7636. A bill to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954 (title IV, Public Law 763, 83d Cong.), as amended; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 7637. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H. R. 7638. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 7639. A bill to provide that citizens or a free corporate union of Trieste may acquire certain surplus merchant vessels from the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H. R. 7640. A bill to amend the provisions of section 19 of the Federal Reserve Act relating to reserve balances of member banks; to the Committee on Banking and Currency.

By Mr. REUSS:

H. R. 7641. A bill to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes; to the Committee on Banking and Currency.

By Mr. SCUDDER:

H. R. 7642. A bill to provide for the issuance of a postage stamp in commemoration of 100 years of progress in conservation and forestry in the redwood region of California; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H. R. 7643. A bill to amend the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954 with respect to foreign-tax credit for United Kingdom, income tax paid with respect to royalties and other like amounts; to the Committee on Ways and Means.

H. R. 7644. A bill to abate taxes on distilled spirits stolen from customs bonded warehouse; to the Committee on Ways and Means.

By Mrs. SULLIVAN (by request):

H. R. 7645. A bill to provide that certain expenses of the Panama Canal Company and

the Canal Zone Government shall be paid from tolls, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VINSON:

H. R. 7646. A bill to authorize the Secretaries of the military departments and the Secretary of the Treasury with respect to the Coast Guard, to incur expenses incident to the representation of their personnel before judicial tribunals and administrative agencies of any foreign nation; to the Committee on Armed Services.

By Mr. McDOWELL:

H. Res. 322. Resolution creating a Select Committee on Consumer Interests; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. HESELTON: Resolutions of the House of Representatives, Commonwealth

of Massachusetts, memorializing Congress to prevent the reduction in force of the United States Marine Corps; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 7647. A bill for the relief of Ilmar Harald Kert; to the Committee on the Judiciary.

By Mr. CARRIGG:

H. R. 7648. A bill for the relief of Eugene J. Coleman; to the Committee on the Judiciary.

By Mrs. FARRINGTON:

H. R. 7649. A bill for the relief of Dr. Rodolfo T. Santeco; to the Committee on the Judiciary.

H. R. 7650. A bill for the relief of Man Yee Lee; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 7651. A bill for the relief of Hans J. Bernick; to the Committee on the Judiciary.

H. R. 7652. A bill for the relief of Mrs. Violet Burt; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 7653. A bill for the relief of George Calvin Penny; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 7654. A bill for the relief of Mrs. Raymonde Vonka; to the Committee on the Judiciary.

By Mr. TUMULTY:

H. R. 7655. A bill for the relief of Anna Almo; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

H. R. 7656. A bill for the relief of Bernard L. Barker; to the Committee on the Judiciary.

By Mr. CLARK:

H. Res. 323. Resolution providing for sending to the United States Court of Claims the bill H. R. 4133; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Henry M. Jackson, of Washington

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES
Wednesday, July 27, 1955

Mr. MANSFIELD. Mr. President, the distinguished junior Senator from Washington [Mr. JACKSON], delivered an address before the annual fellowship dinner of the Grand Lodge of Masons of the State of Washington at Olympia, Wash., on Tuesday, June 21, 1955. There is so much meat in the address, and so much to think about, that I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. HENRY M. JACKSON, OF WASHINGTON, BEFORE THE ANNUAL FELLOWSHIP DINNER OF THE GRAND LODGE OF MASONRY OF THE STATE OF WASHINGTON, AT OLYMPIA, WASH., JUNE 21, 1955

In the past 3 months, Soviet foreign policy has made the most striking series of shifts since the beginning of the cold war in 1946. In no less than nine different cases, the iron fist of Stalin has been supplanted by the disarming diplomacy of Moscow and Peiping.

To underline this change, let us review these unexpected reversals of the Communist position.

In the Far East, Communist China has concurred in a de facto cease fire in the Formosa region and indicated a willingness to discuss a settlement. Four American fliers held in Chinese prisons for more than 2 years have been released. Russia, having refused to sign the original Treaty of Peace With Japan, is now discussing a bilateral agreement. The Kremlin has begun a concerted campaign to win favor with Nehru—the leader of the neutralist bloc.

In Europe, an effort is being made to heal the breach with Tito, who not long

ago was being denounced from Moscow as a heretic. Concessions to the West's position on the reduction of conventional armaments have been indicated. Chancellor Adenauer has been invited to discuss resuming diplomatic relations after Russia's initial refusal to recognize Bonn. And following 7 years of obstruction, the Soviet signature has been placed on the Austrian Treaty.

On top of these events must be added the Russian agreement to join a four-power conference at Geneva next month.

The American people would be less than human if they did not take heart at this turn of events.

As always, however, there is another side to the coin. I am frank to question whether the current optimism can be justified by the realities of the situation.

The simple fact is that with Stalin's death there has come to power in Russia a group that is subtle, clever, and flexible—as opposed to the bluntness, rigidity, sometimes stupidity of the Stalin regime. Where Stalin was obvious, Khrushchev is devious.

Most of Stalin's failures stemmed from the clarity of the threat he posed to the free world. Recall for a moment our reactions at home to Soviet moves in Iran, Greece, Czechoslovakia, Berlin, and Korea. It was these threats that pushed us into a program of alliances, a military buildup, and a determined attempt to shore up the defenses of the free world.

The Russians' "good neighbor" policy of recent weeks, by apparently diminishing this threat, has placed us in a difficult position. On the surface, we are faced with a new, disarming and conciliatory Communist approach. Behind this front the basic aims of communism remain unchanged.

It is a front because the Khrushchev regime is building the greatest military machine in Soviet history. As they talk peace, their preparations for war exceed our greatest estimates of their military capabilities. Never, in fact, has any country boasted of peaceful intentions with such a large portion of its economy dedicated to armaments.

Let me document this point with a brief look at recent history. Six years ago, in the spring of 1949, our conventional forces were vastly outnumbered by those of the Communist world. As a matter of fact, they still are. But as against this, in 1949, our air-atomic power was incontestable. We possessed the B-36, then the world's only true long-range bomber. We had already flight-

tested the B-47, the world's first strategic jet bomber. And above all—6 years ago—we had a monopoly of atomic weapons.

Intelligence reports told us then that our atomic monopoly would be long-lived. Some responsible officials declared that 10 or 20 years might pass before the Soviets mastered the riddle of atomic energy. The matter of stockpiling nuclear weapons in large numbers was even more remote. As for delivery aircraft, we were informed that Soviet jet bombers were many years in the future. In short, most of us believed in the spring of 1949 that America's trump card—our industrial and scientific supremacy—would indefinitely cancel out Moscow's superiority in conventional forces.

Today we know, or should know, otherwise. Far from requiring decades to split the atom, the Soviets achieved their first atomic bomb in 1949—years before the expected date. Their first hydrogen explosion occurred in the summer of 1953—only 9 months after our own first full-scale hydrogen test.

Had we been realistic, we should have assumed that a nation capable of mastering atomic energy so quickly would also soon have air fleets with long range jet bombers. Yet even after the Soviet hydrogen test confident officials soothingly declared that nuclear bombs were of no use unless they could be delivered against targets. As far as ability to deliver these bombs went, they said, our lead was clear and permanent.

Then came the Russians' air demonstration of May Day 1954. This revealed the existence of Soviet jet bombers comparable to our own medium-range B-47 and our long-range B-52. The intelligence communities of the free world were shocked. The Russian planes had been flown well before the expected date. In certain important respects—in the size of their jet engines, for instance—they were more advanced than our own bombers.

Despite these facts, the soothing voices were heard again. They said the Soviet planes were doubtless hand-tooled prototypes. They predicted that years would elapse before these first models could be mass-produced. The implication was clear that mass production was unique to the United States.

Six weeks ago we learned the truth. In their 1955 practice May Day displays the Soviets flew both their medium and long range jet bombers in operational numbers.